



# Beyond the Crocs & TikToks.

How Gen Z are shopping.  
U.S. Edition.

afterpay ↻



# We've learned a lot about #Gen Z.



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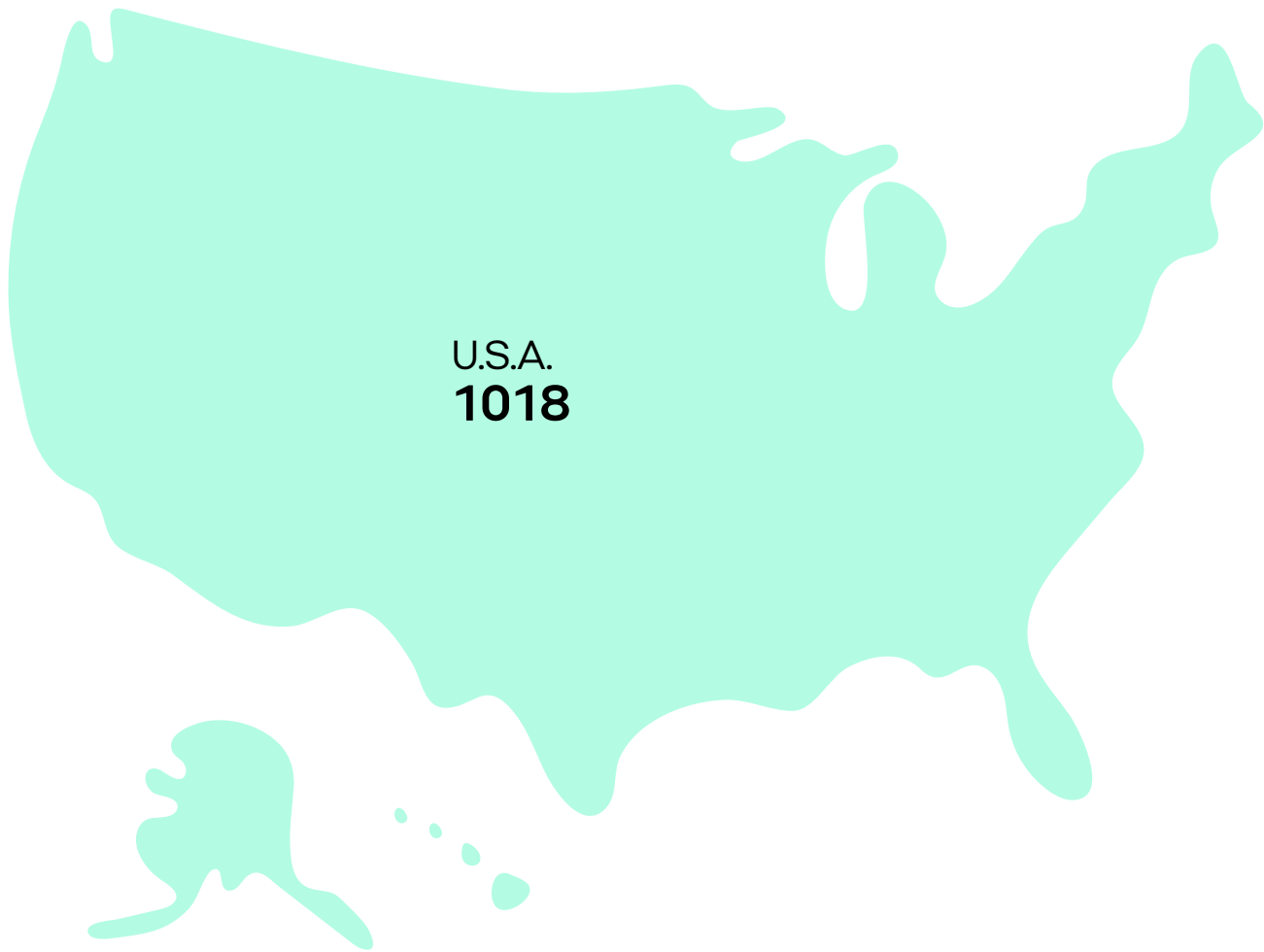
# Who we surveyed.

This report explores how Gen Z are changing retail - by driving new trends, acting on their beliefs and values, and shopping more flexibly.

The data in this report is based on a quantitative study of **1018** consumers from the U.S.



## Location:



Total **1018**

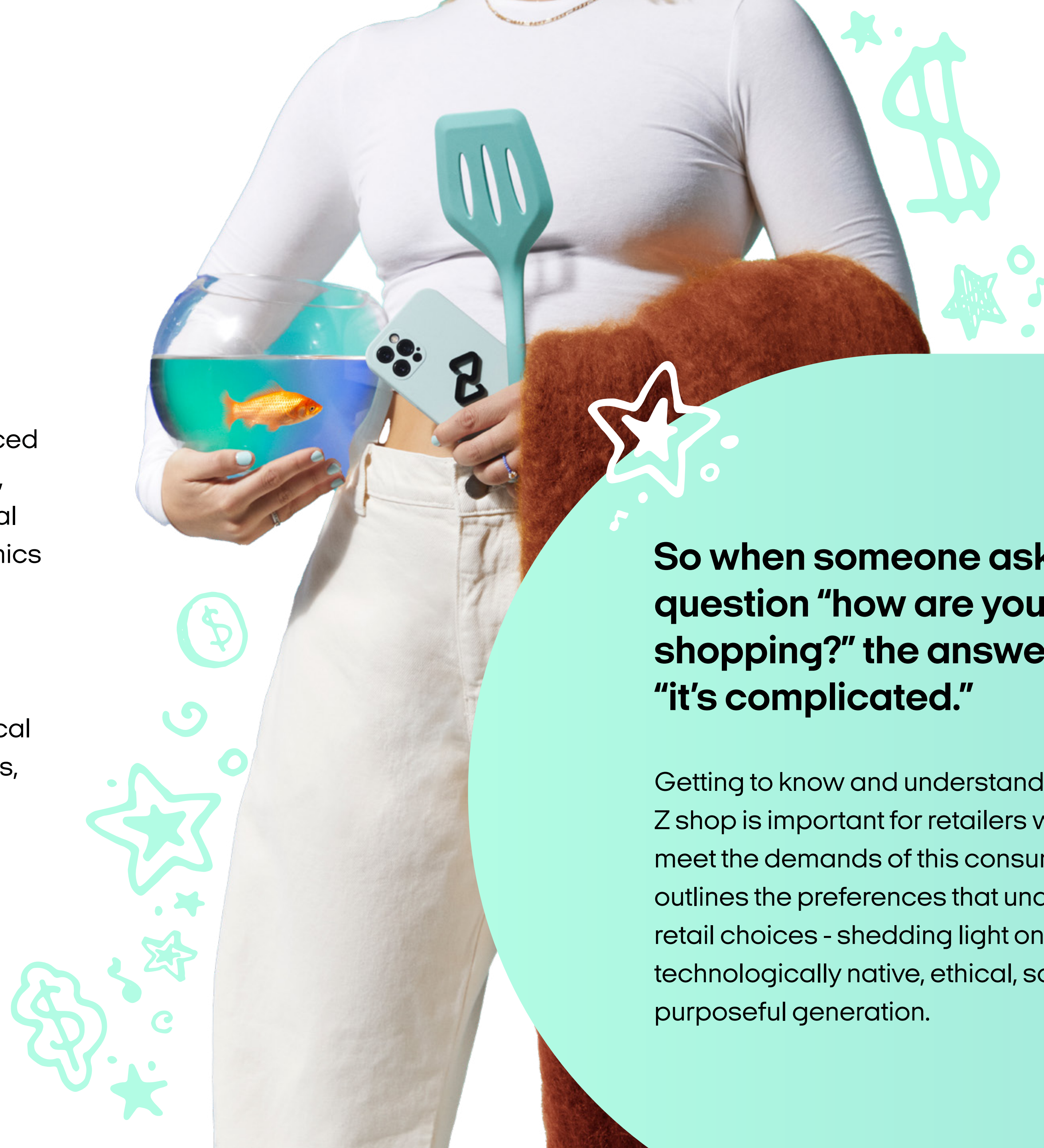




# Intro.

Today's Gen Z consumers have experienced several lifetimes' worth of first-time events, including inflation, wage stagnation, global warming, housing unaffordability, pandemics and existential military threats.

In the face of all that, they are forging their own path - navigating challenges around social, racial, and economic equality, ethical and inclusive business and retail practices, cryptocurrency and technology.



**So when someone asks the question "how are young people shopping?" the answer is "it's complicated."**

Getting to know and understand how Gen Z shop is important for retailers who want to meet the demands of this consumer. This report outlines the preferences that underpin Gen Z's retail choices - shedding light on this optimistic, technologically native, ethical, social and purposeful generation.



# Who are the Gens?





Gen Z



Born 1997  
- 2012

Millennial



Born 1981  
- 1996

Gen X+



Born before  
1981

# Get to know Gen Z.

Born between 1997 and 2012, Gen Z are finding their feet in the world. They are not quite as curious as Millennials, but are native technology users.

When it comes to shopping, Gen Z like to buy eco-friendly and sustainable products. They also like to cut out the middleperson - preferring to shop directly from brands, which is a key difference to other generations. They are also trend oriented - using social media and technology to keep up-to-date on the latest trends.



Statement	Gen Z	Millennial	Gen X+
I'm one of the first people to try new products	32.1%	45.3%	27.1%
I like to use technology when I shop	66.5%	72.3%	47.5%
Shopping is a chore	28.5%	30.88%	31.8%
I buy eco friendly and sustainable products when I can	49.3%	52.6%	46.3%
I prefer to purchase directly from brands, rather than from other stores	34.8%	39%	20%
I like to keep up to date with the latest trends	49.3%	53%	36.3%

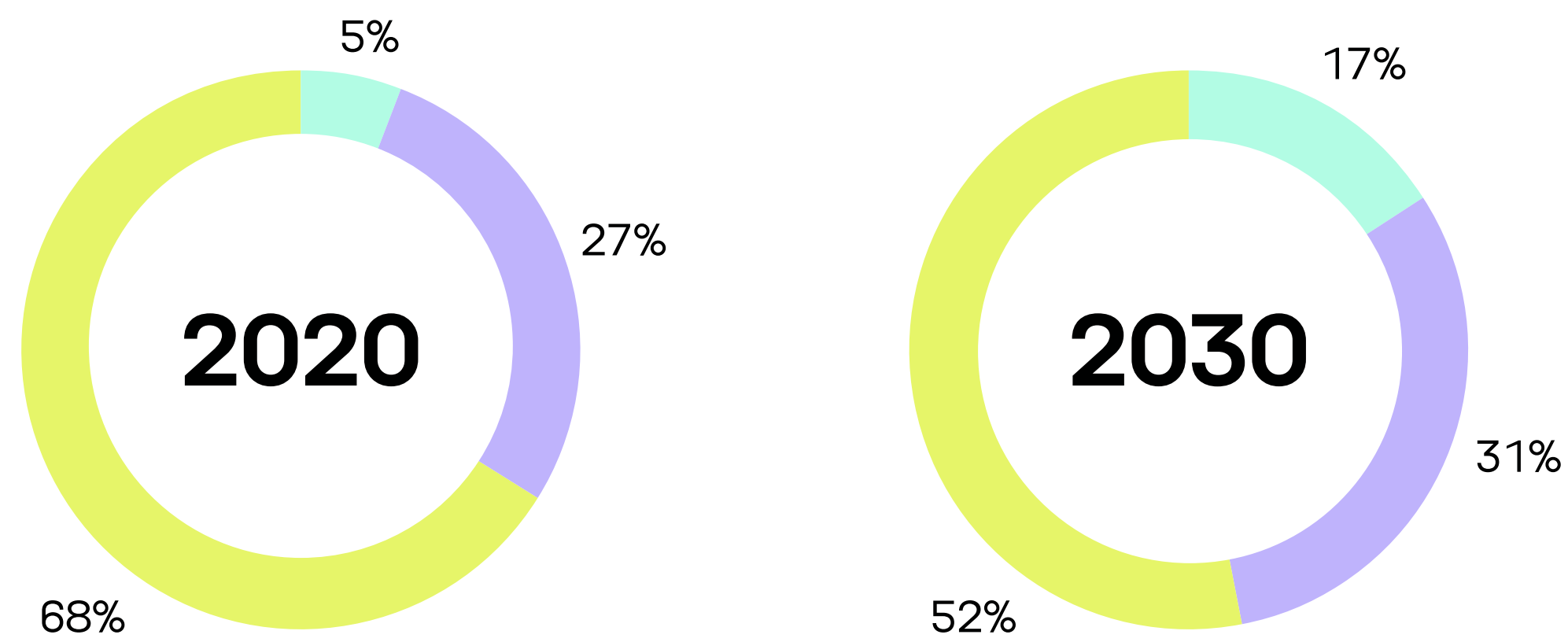


# Financial feels.



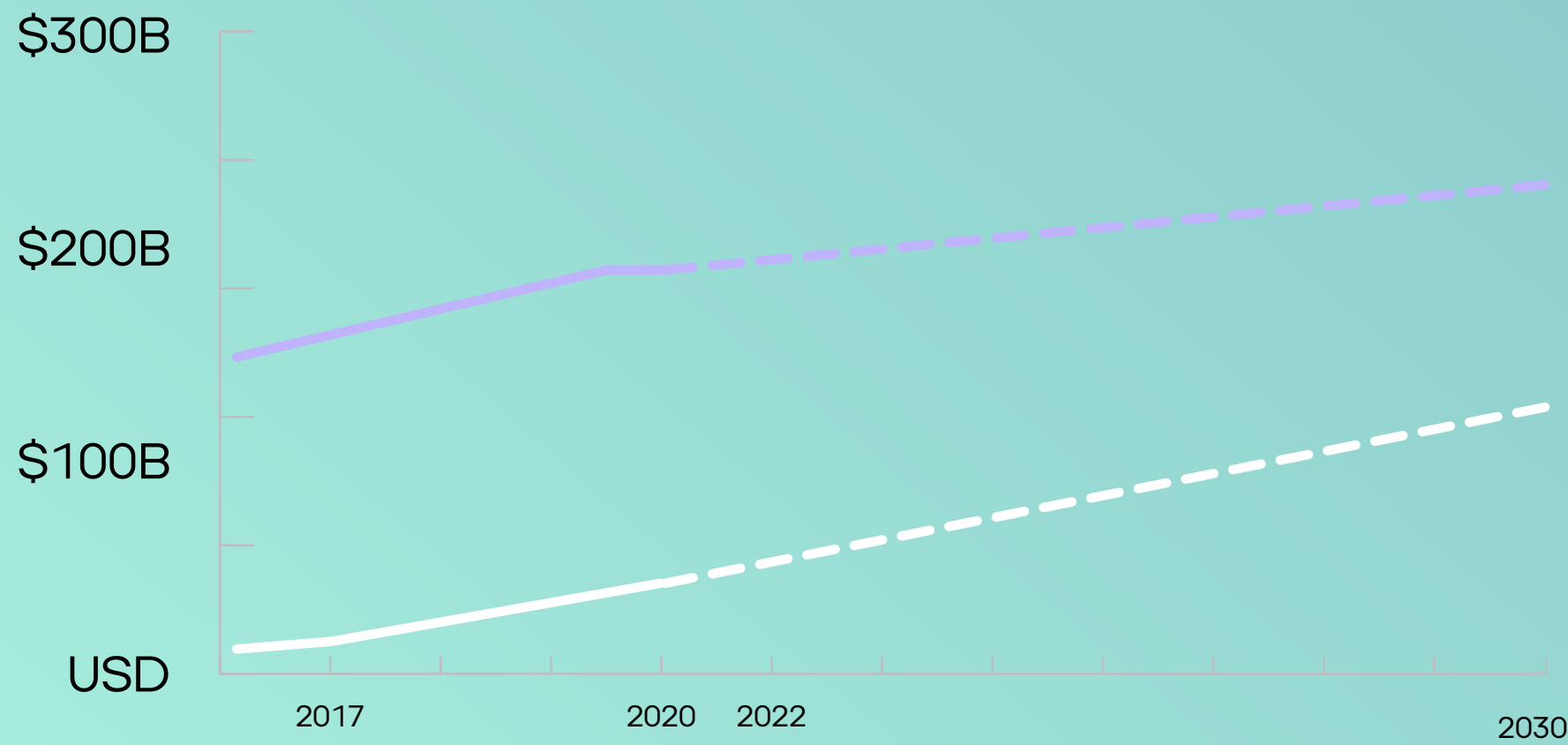


# Global share of retail spend.



- Gen Z
- Millennials
- Gen X+

Millennial and Gen Z share of spend will increase to 48% by 2030.



- Gen Z
- Millennials

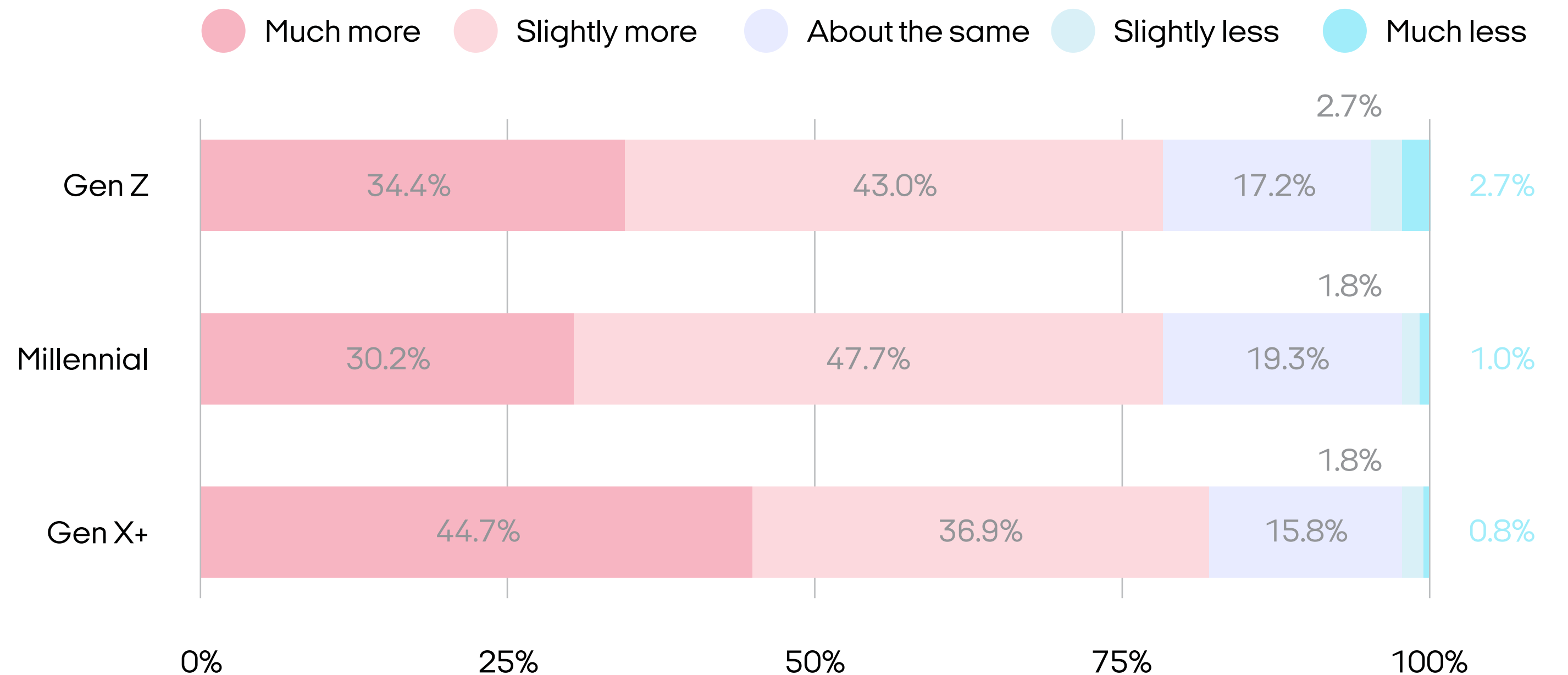


# Not getting too deflated.

Young consumers know they are facing a difficult economic environment with **77%** of Gen Z expecting prices to rise over the next 12 months.

It's really the older generations that have less optimism for the year to come, maybe because they have experienced inflation before.

How do you think the price of everyday items will change over 12 months?  
[Groceries, clothing, electronics etc]



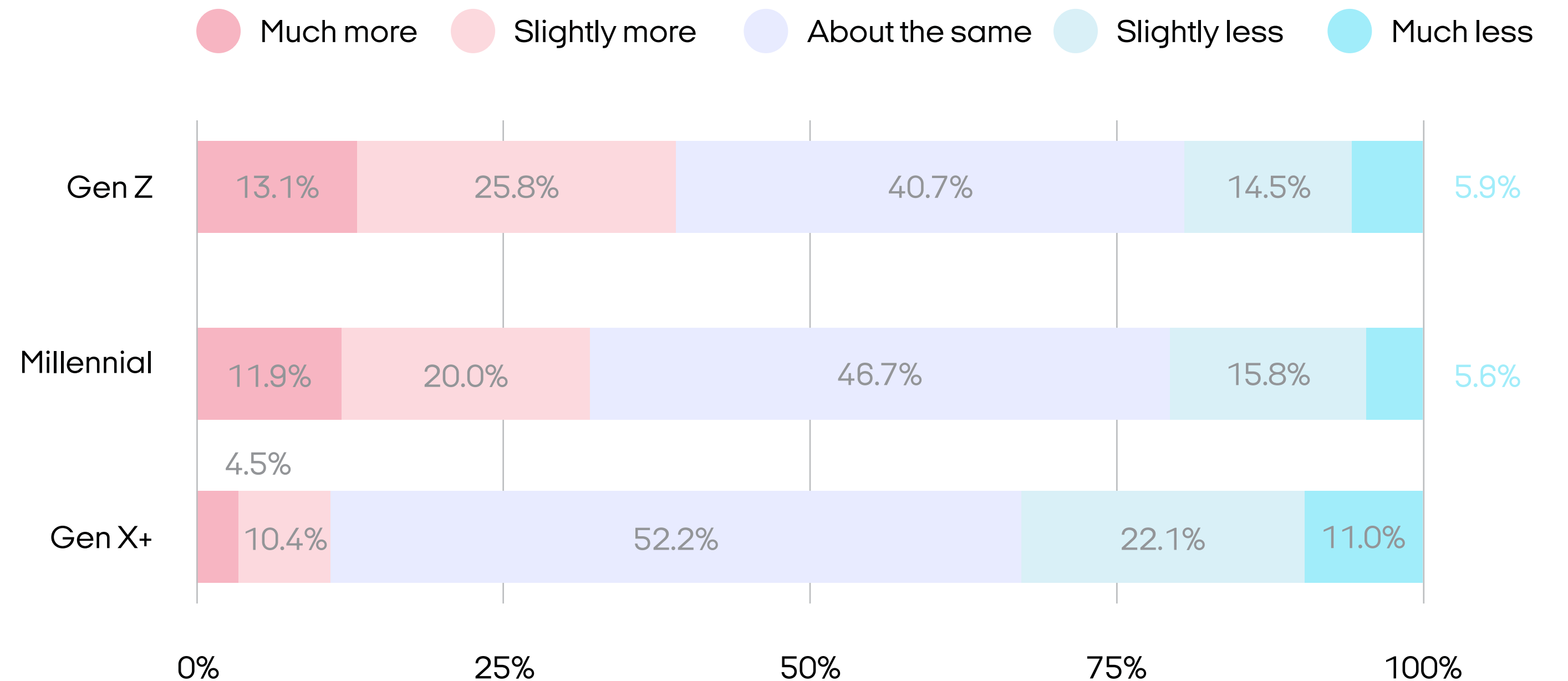


# The optimism of youth.

Gen Z are the most optimistic of all generations with only **20%** expecting to do less shopping over the next year. Some might call that naivety, but we think it's a resilience that is becoming typical of Gen Z.



How much shopping do you think you'll do over the next 12 months?





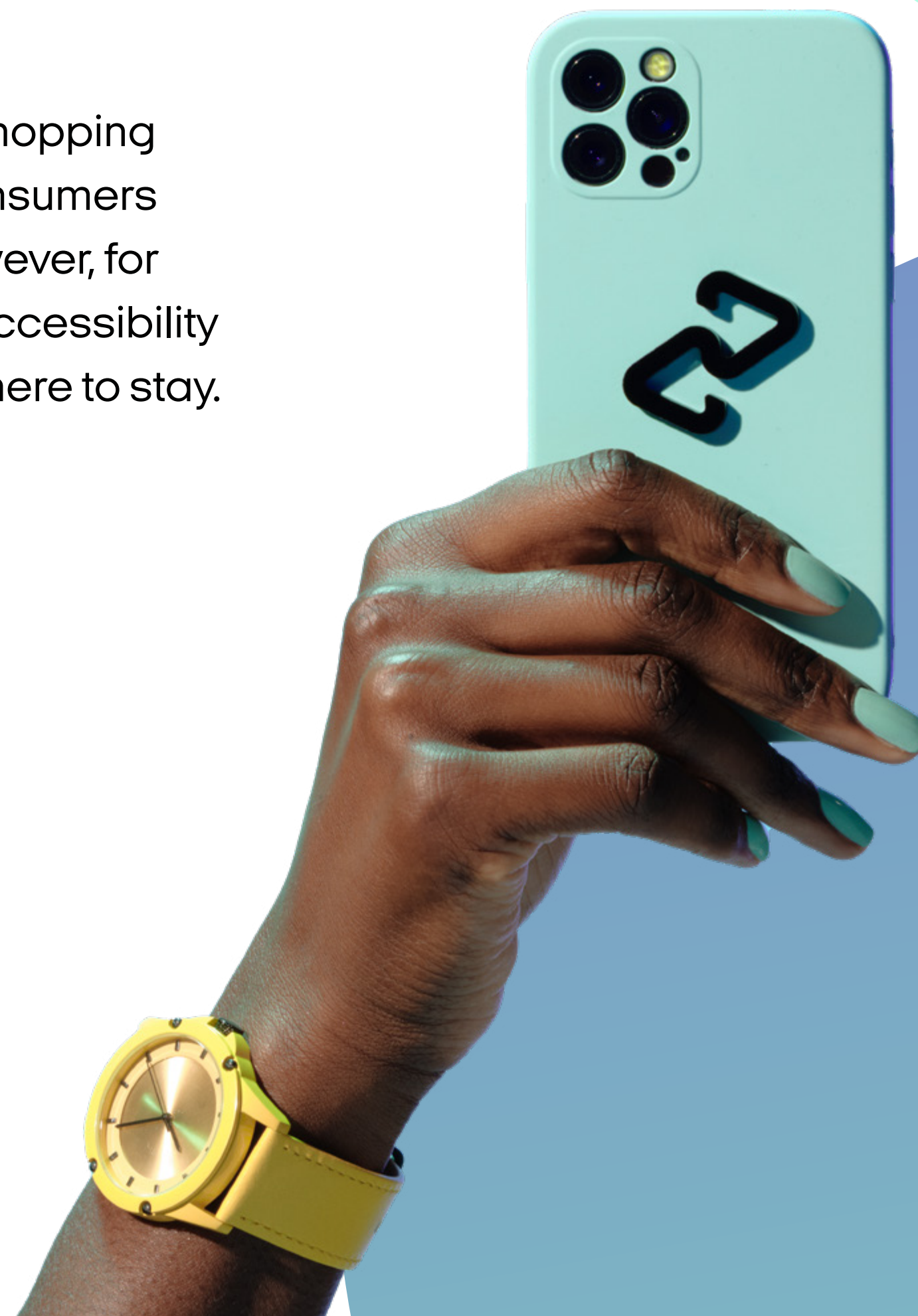
# How do Gen Z shop?



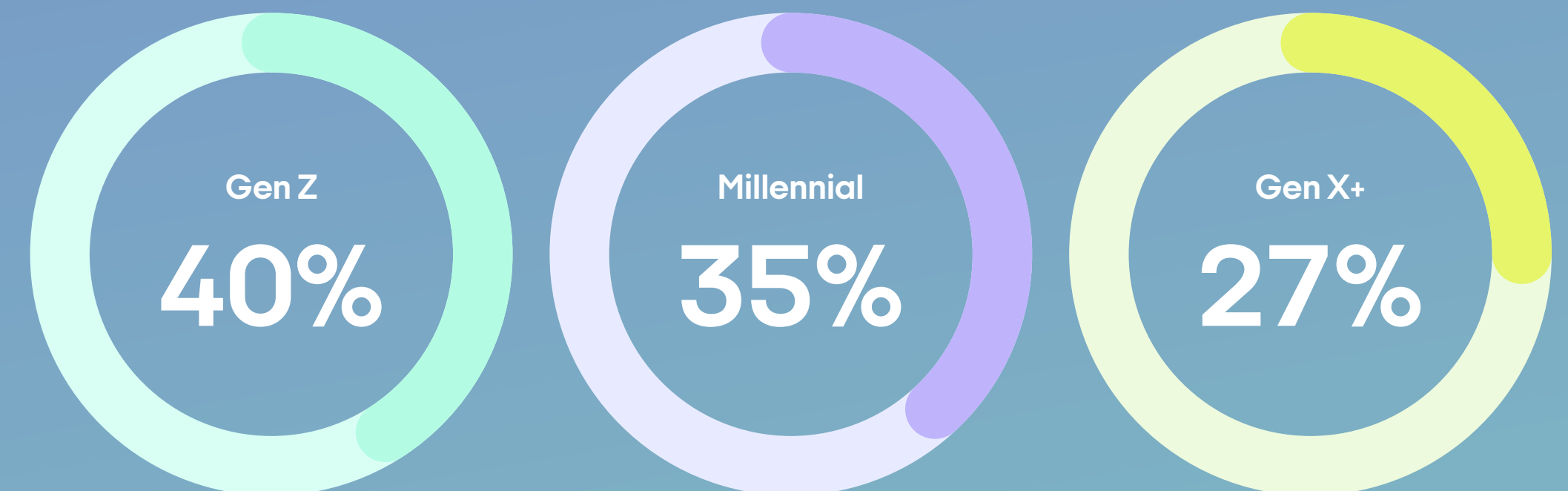


# IRL or URL?

During the pandemic, online shopping was the only way for many consumers around the world to shop. However, for Gen Z, the convenience and accessibility of online shopping means it's here to stay.



## Prefer online shopping vs in-store:

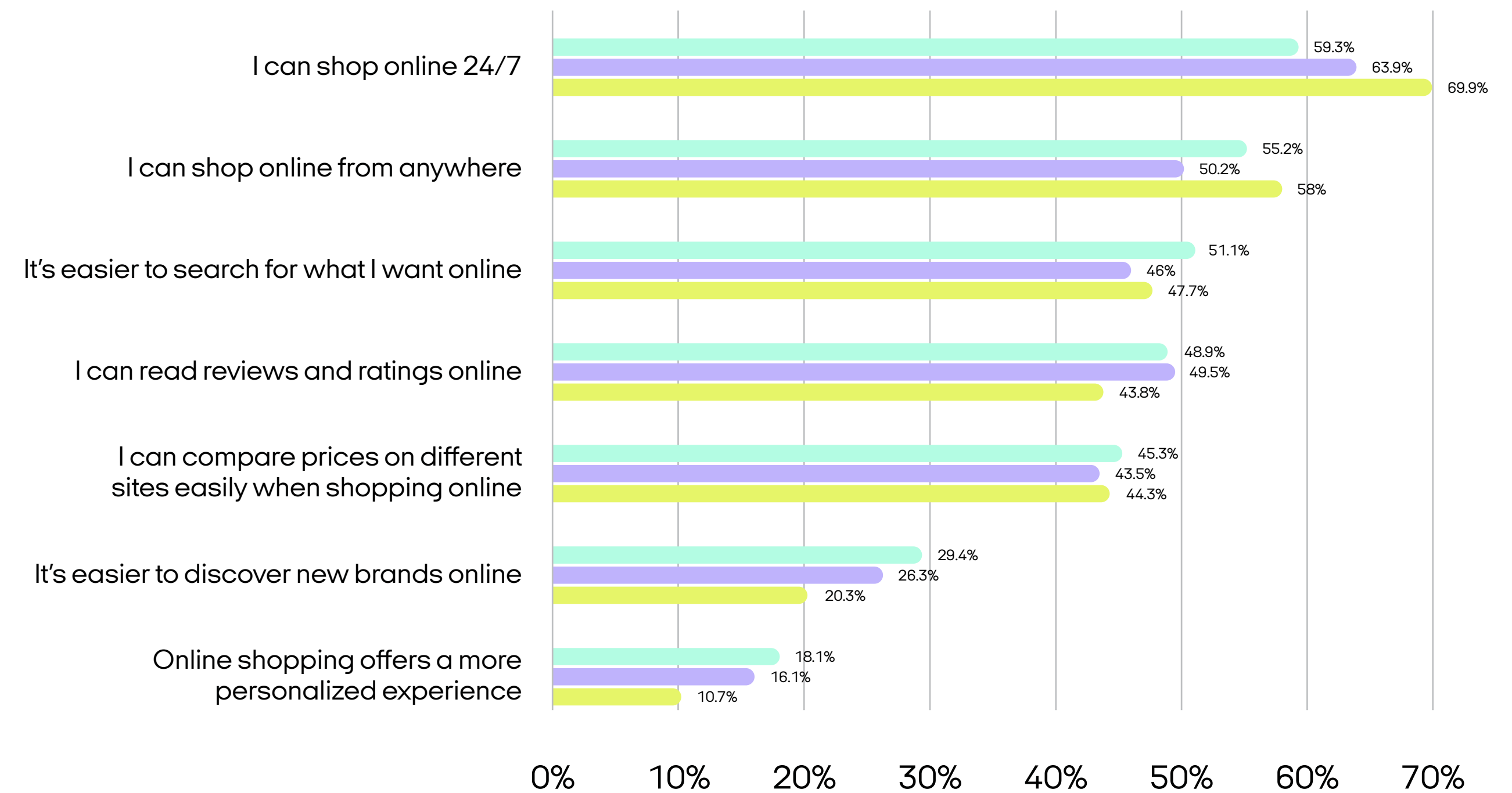
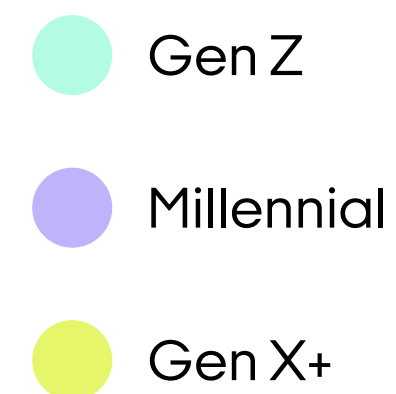




# Why online?

It's not surprising that a generation who grew up on social media values having the world of shopping at their fingertips and being able to easily search for reviews, as well as compare prices and products.

Plus, it's available 24/7.

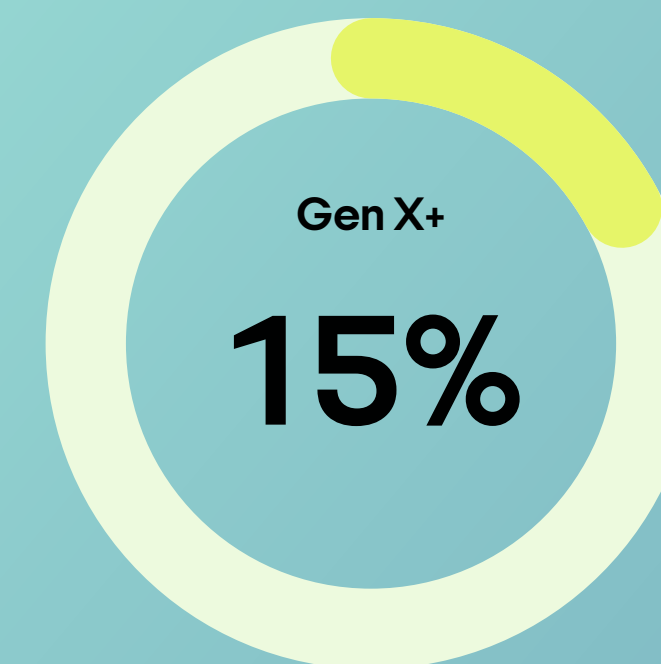
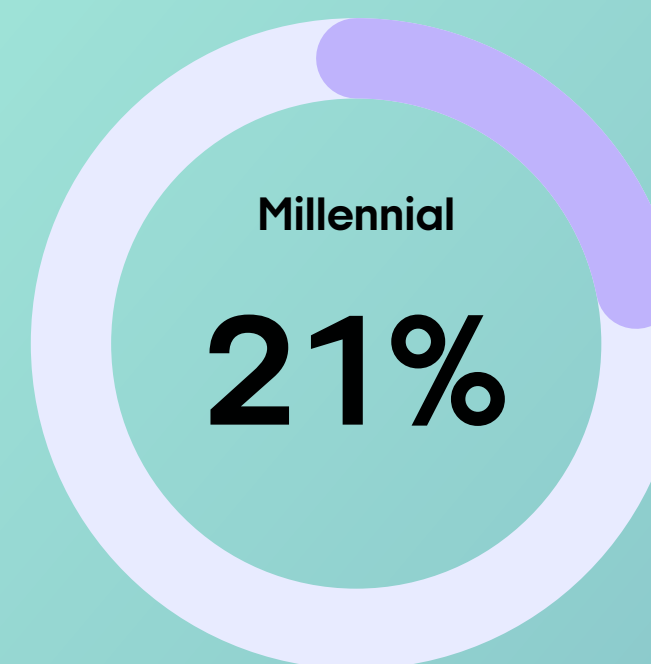
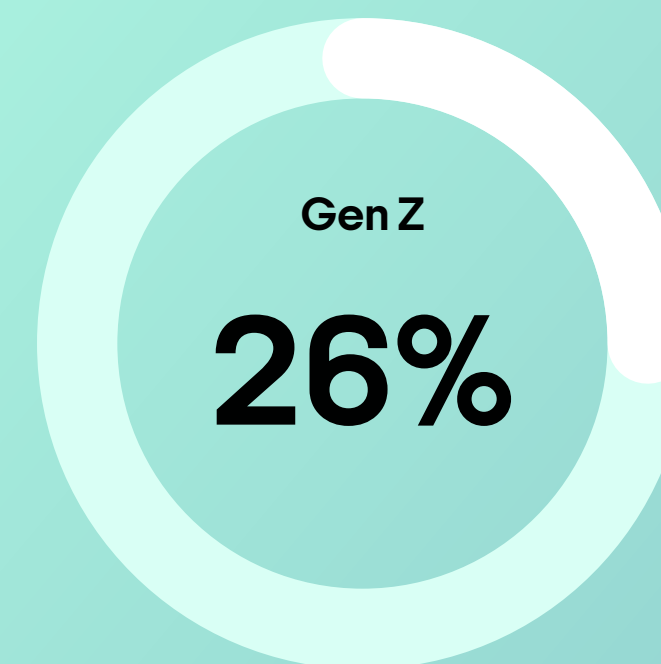




# What's in-store for retail?

Despite the popularity of online shopping, Gen Z still want to shop in-store too. Omnichannel shopping is real for Gen Z and retailers need to recognize the varying preferences for each channel.

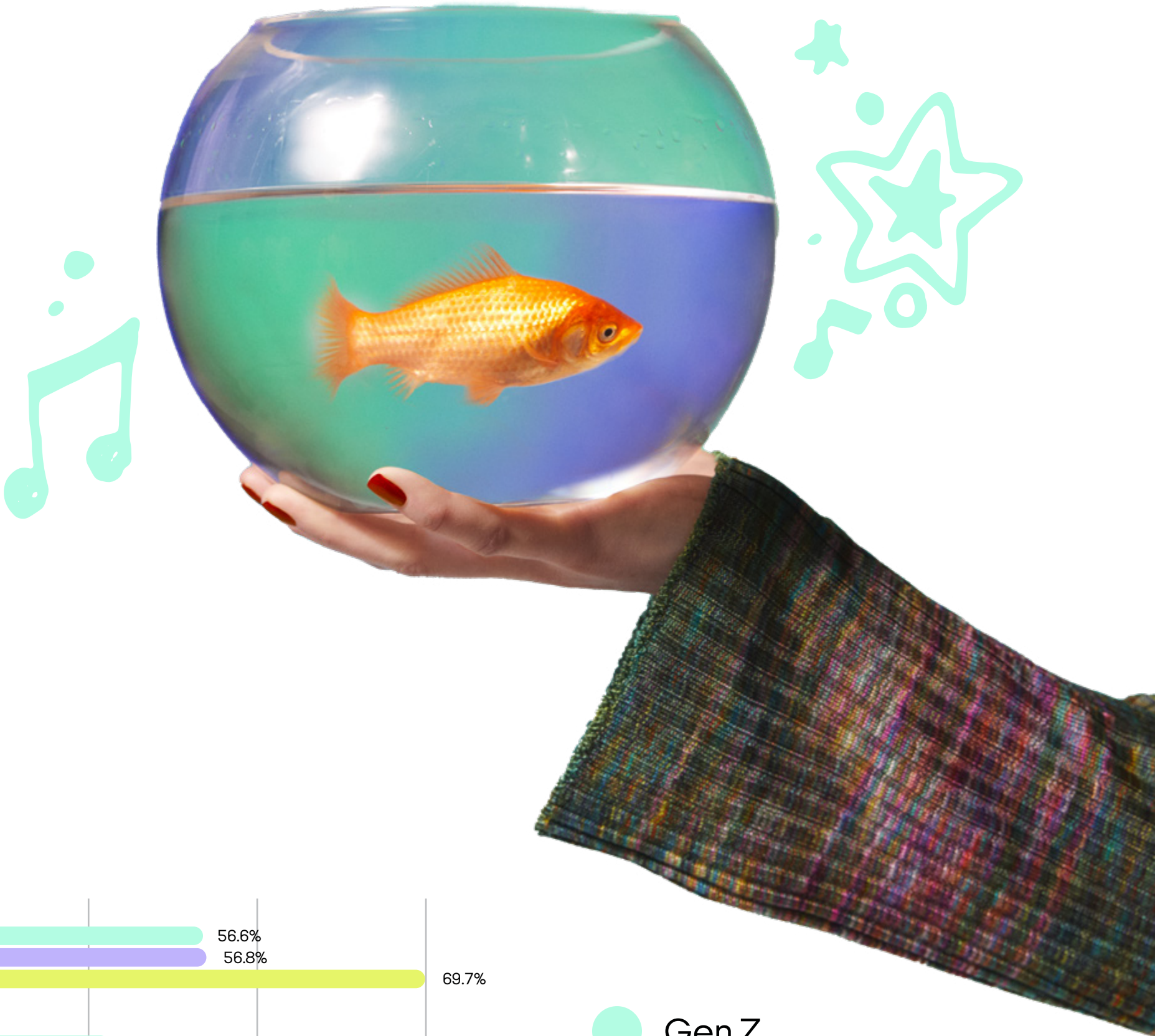
Will you shop in-store more often in the next 12 months?



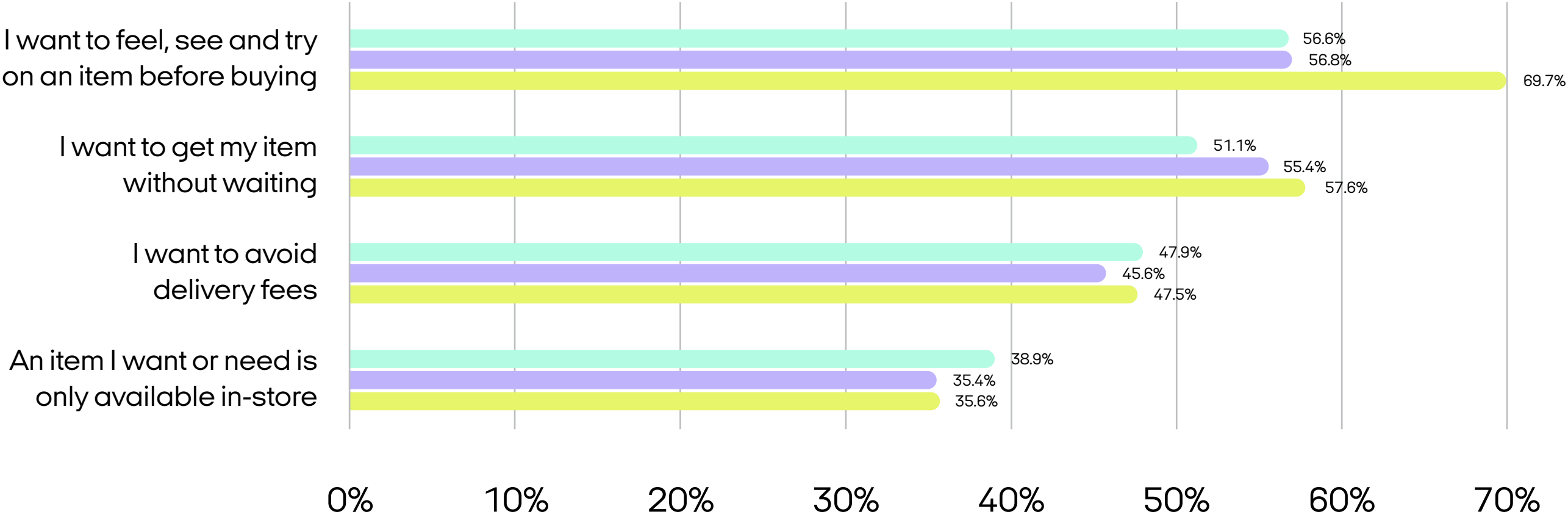


# In-store's 'it' factor.

While many Gen Zs cite increased product availability **[39%]** and access to exclusive discounts **[32%]** as reasons they shop in-store, the primary reason **57%** of Gen Z consumers prefer to shop in-store is to feel, see and try before they buy. While Gen Z feel strongly about this, they are following in the footsteps of older generations with **70%** of Gen X and older preferring to try before they buy.



Which of the following are the most convincing reasons to shop in-store.



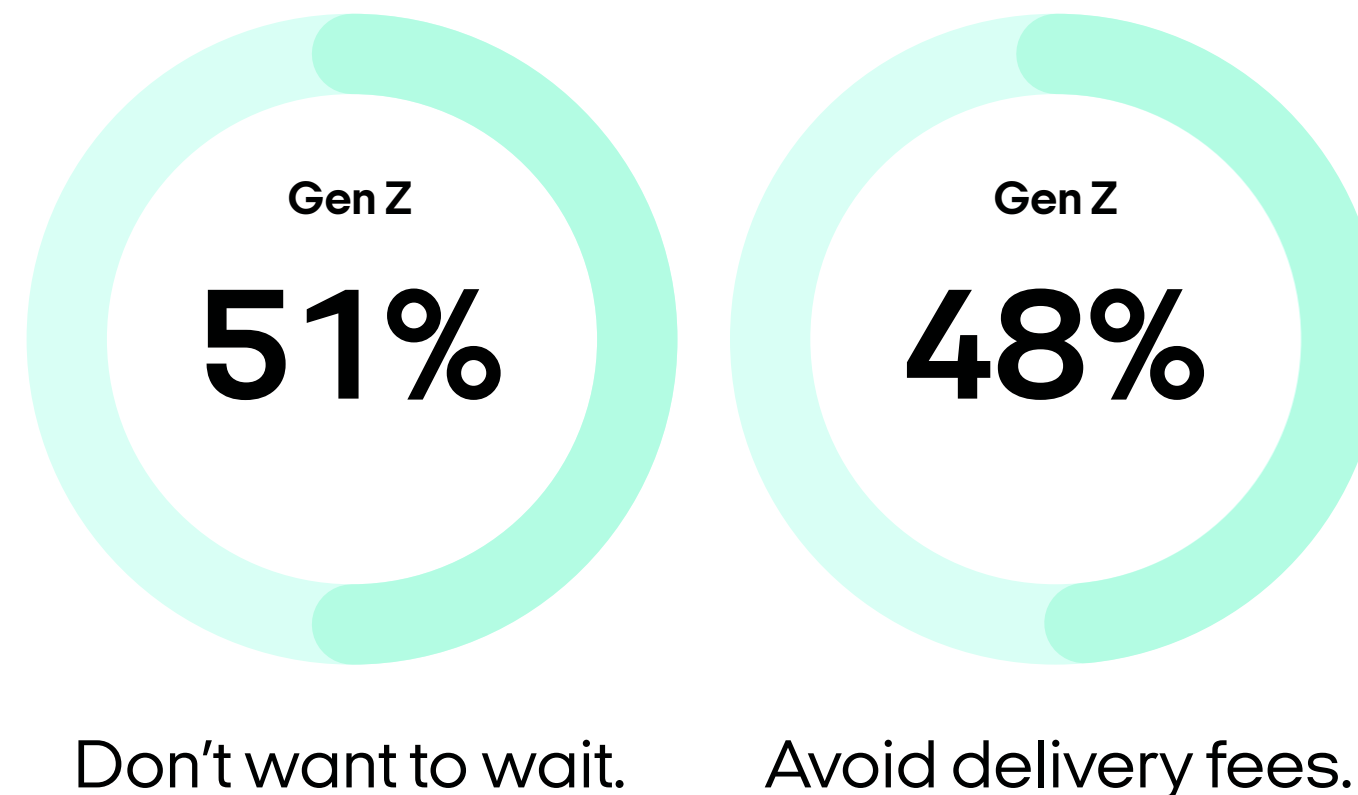
- Gen Z
- Millennial
- Gen X+



# Delivery = delay?

Thanks to the internet, Gen Z are accustomed to instant gratification as the first digitally-native and mobile generation to grow up with smartphones.

**Over half** of young people shop in-store to avoid waiting for delivery. But next time you hear a Gen Z or Millennial being accused of needing instant gratification don't forget that **nearly half** of Gen X and older shop in-store to avoid waiting for delivery [more than Millennials].



Delays are not the only criticism of delivery, with **48% of Gen Z** consumers shopping in-store to avoid delivery fees.

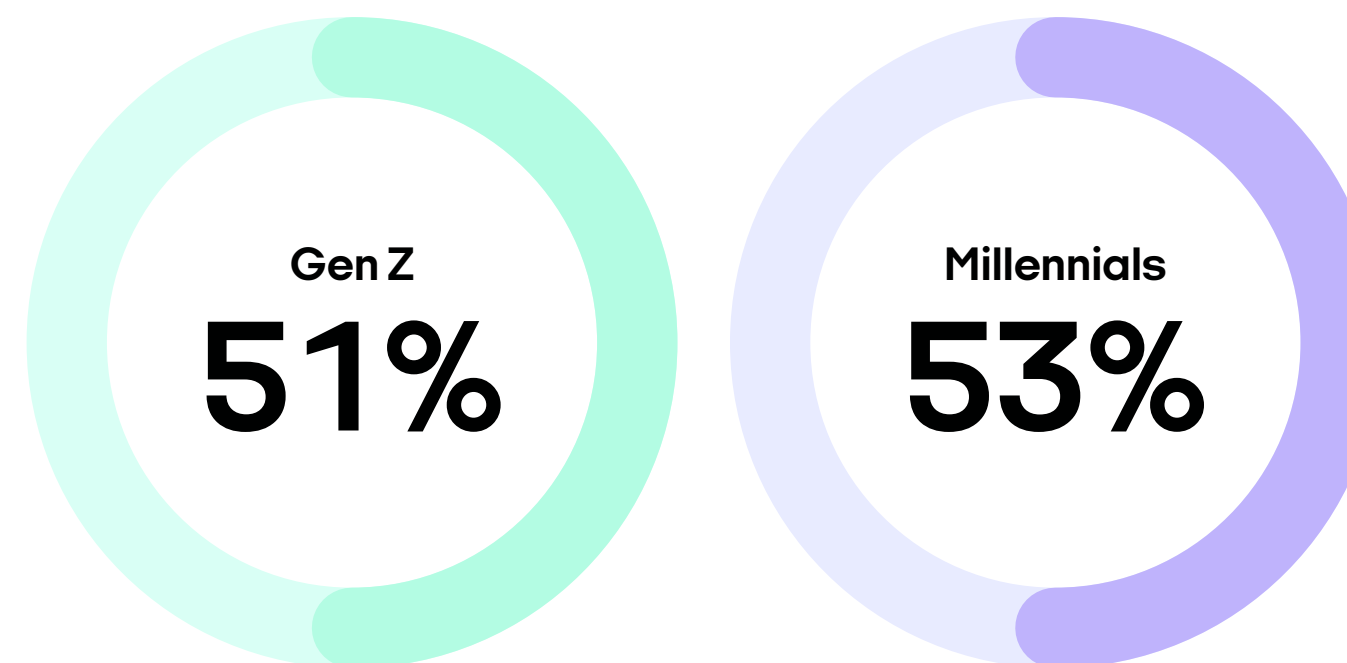


# Voice shopping?

The next big trend in shopping is one that you may not see coming - but you'll be hearing it.

**More than half** of young shoppers have voice shopped in the last 12 months, compared to just **one quarter** of older shoppers. Complete with a built-in personal assistant, platforms like Amazon's Alexa, Apple's Siri and Google Assistant are the young, busy multitaskers' dream.

Quick, easy, and all without the press of a button.



Have voice shopped in the past 12 month.

## Explainer:

Voice shopping allows shoppers to browse for and purchase items by verbally interacting with a smart device.





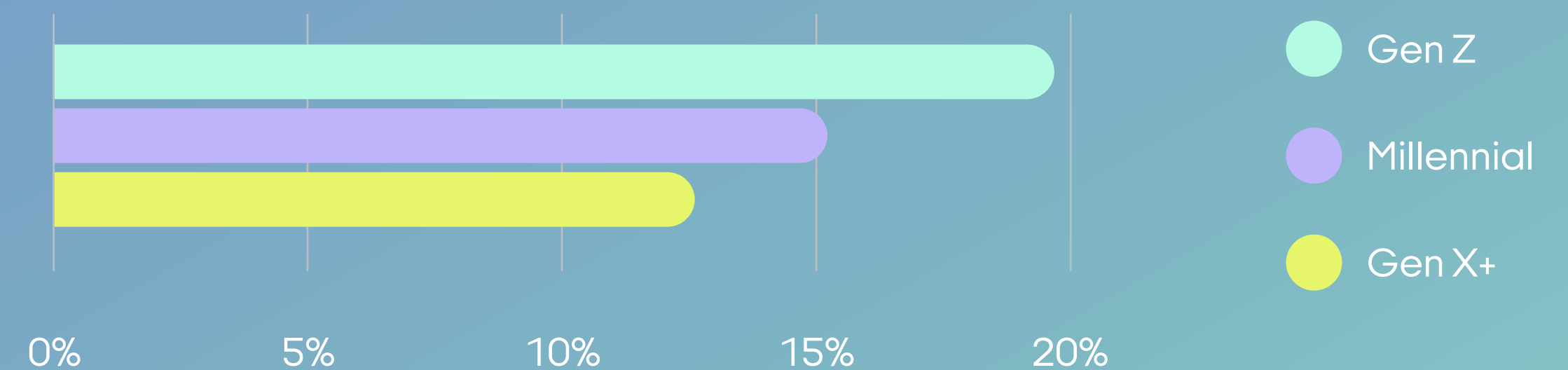
# Cash, card or app?

Almost **1 in 5** Gen Zs have abandoned a purchase in the last 12 months because their preferred payment method was not available.

For many Gen Zs this preferred payment method is buy now pay later ['BNPL'] with **44%** of Gen Zs using BNPL in the last 12 months.



Canceled a purchase because preferred payment method was unavailable.





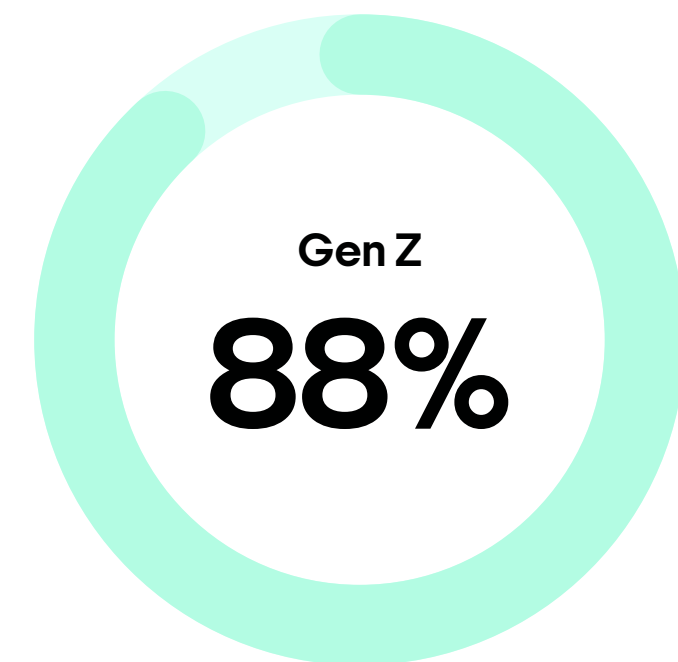
# Social media shoppers:



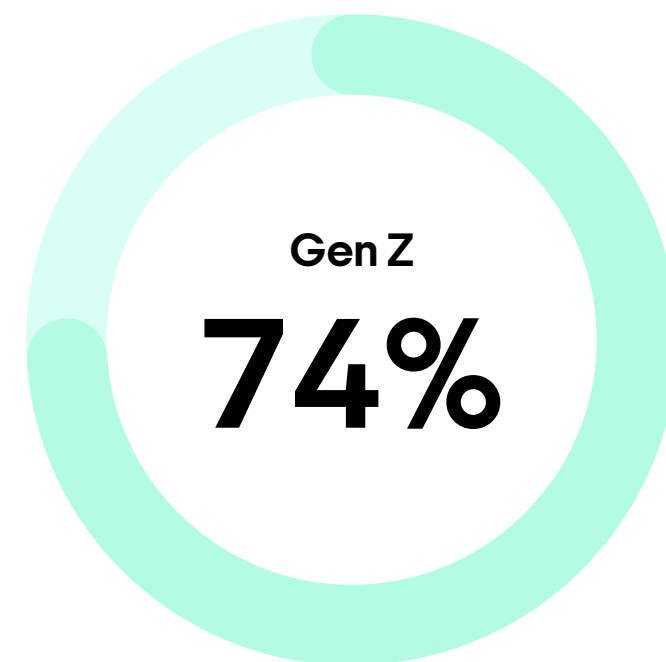
# Virtually social.

Gen Z are digital natives - they were born into the age of smartphones and social media and can navigate streams of digital information with ease and fluency.

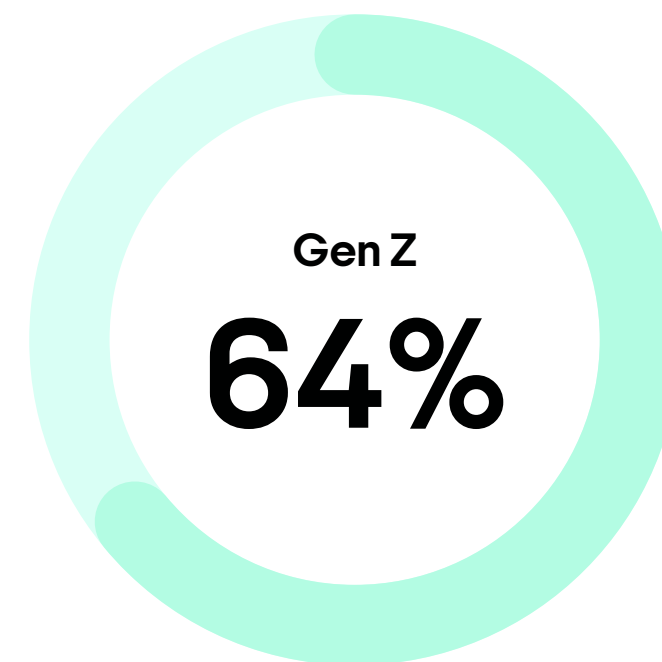
Global



Use at least one social media platform multiple times per day.



Use at least two social media platforms multiple times per day.



Use at least three social media platforms multiple times per day.



**Gen Z daily use over the past 12 months.**

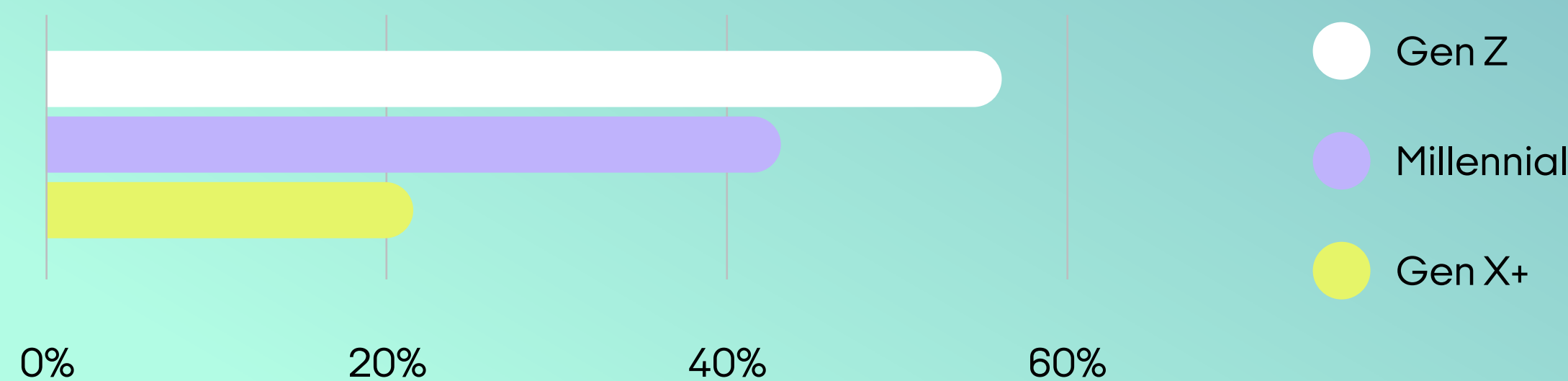
1. YouTube **67%**
2. Instagram **65%**
3. TikTok **58%**
4. Snapchat **55%**
5. Facebook **41%**



# #Trending.

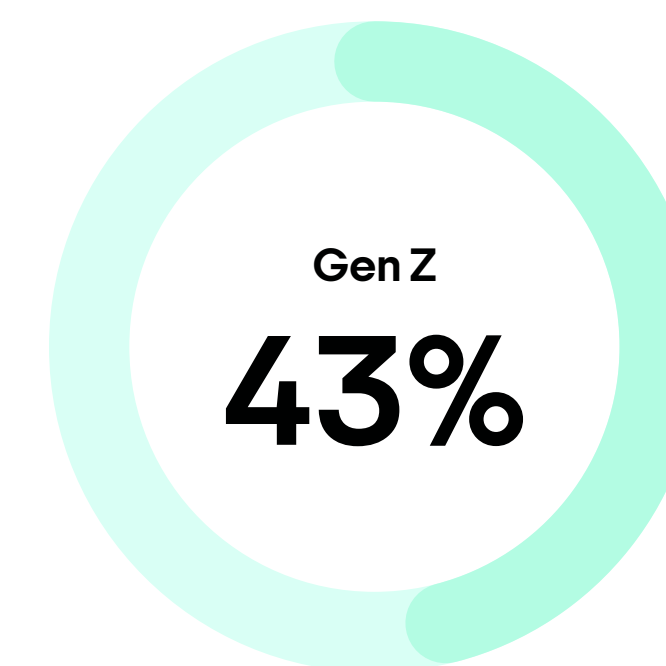
Gen Z don't just love social media - it's a crucial part of their lives. It's a means of communication and constant networking; a way to socialize and purposefully build identity; a way to follow and influence trends; learn new skills; and maybe most importantly - it's a source of inspiration, especially for shopping.

## Browsing social media for shopping inspiration.



## #tiktokmademebuyit

Social media's pull doesn't stop at inspiration. It has significant conversion power, with **43%** of young consumers willing to purchase a product based on an influencer's recommendation. Factor in some platforms' direct purchasing offerings and it's clear that social media has become a powerhouse across the entire consumer shopping journey.

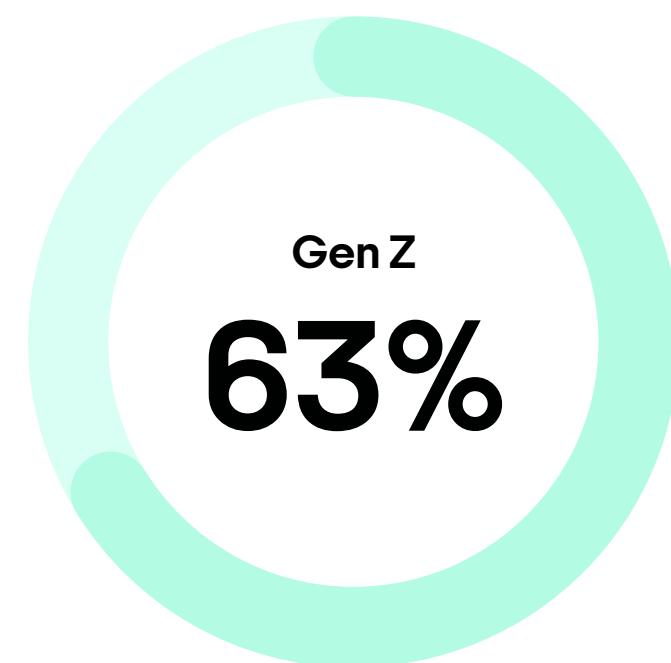


Would buy a product based on the recommendation of an influencer.

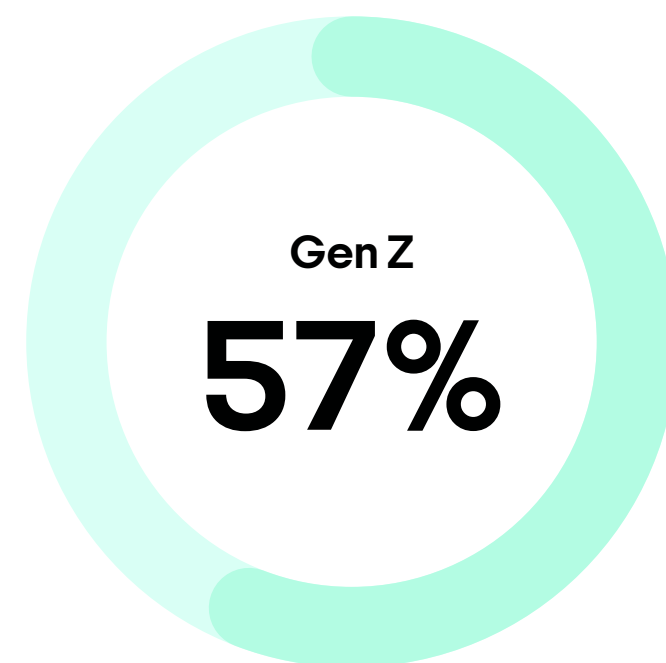


# Savvy...

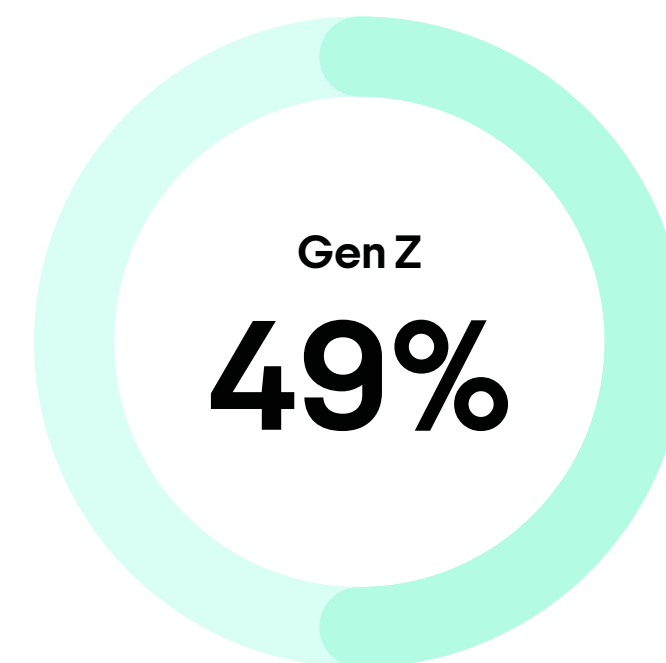
Gen Zs cite social media's importance in keeping up with the latest trends, being exposed to meaningful content, and accessible avenue to online shopping as reasons for use.



I can use it to keep up with local trends.



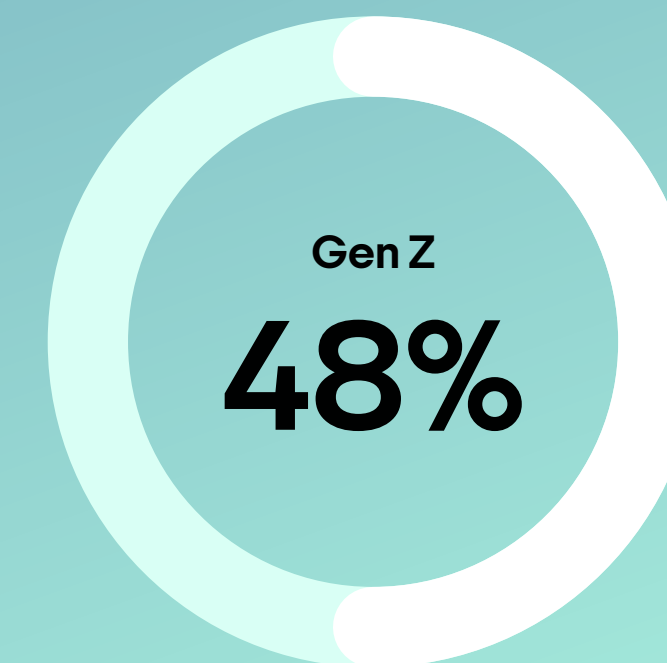
The algorithms help me see more of what matters.



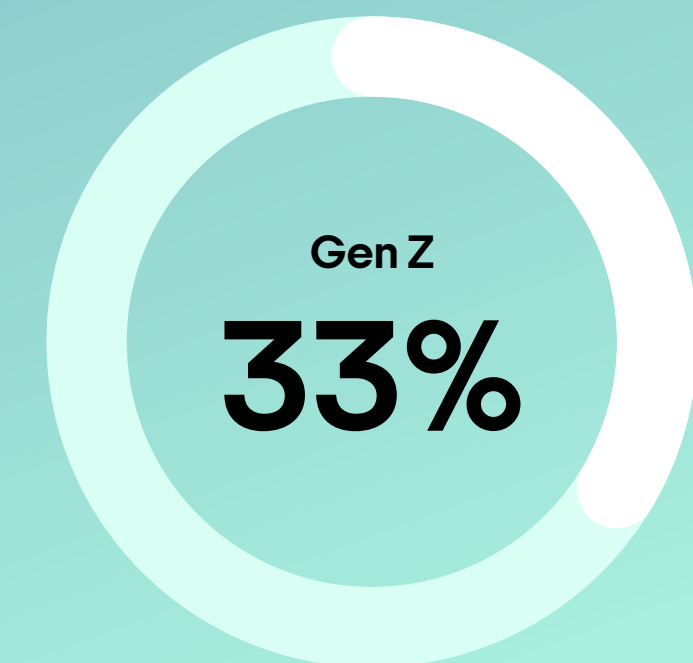
I like shopping directly on social media.

# ...but skeptical.

Despite all this, young consumers know that a curated social media presence is not a true reflection of real life.



I'm concerned about companies monetizing my data.



I don't think influencers actually use the products they support.



# Loyalty.





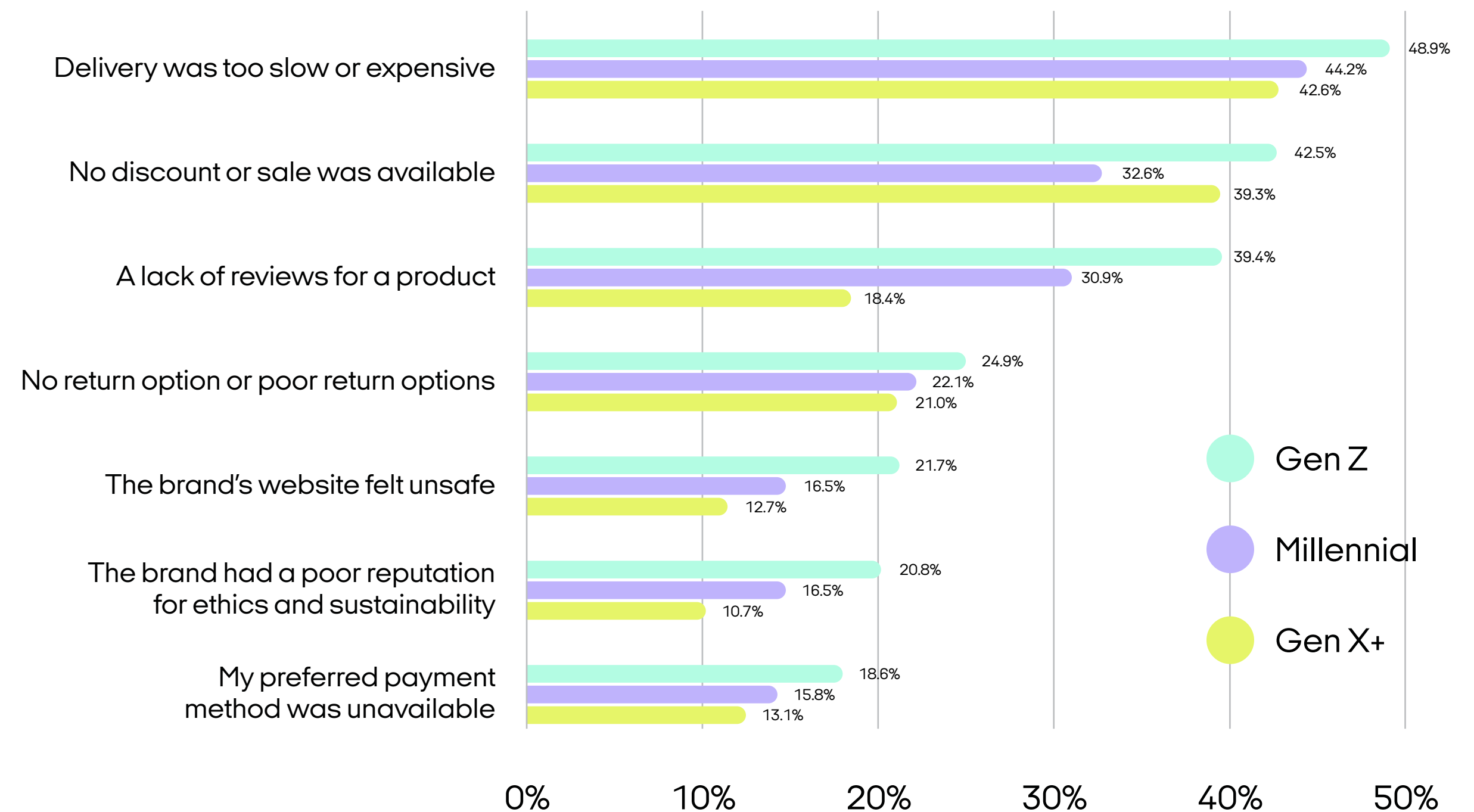


# Reputation matters.

Gen Z are a socially minded and forward thinking generation. They consider the long term impact of their purchases on others and the environment, and won't hesitate to abandon purchases that don't feel right.

If anything is too slow, too expensive or too difficult at checkout, Gen Z are abandoning ship [and cart].

## Reasons to not shop with a brand/retailer in the last 12 months:





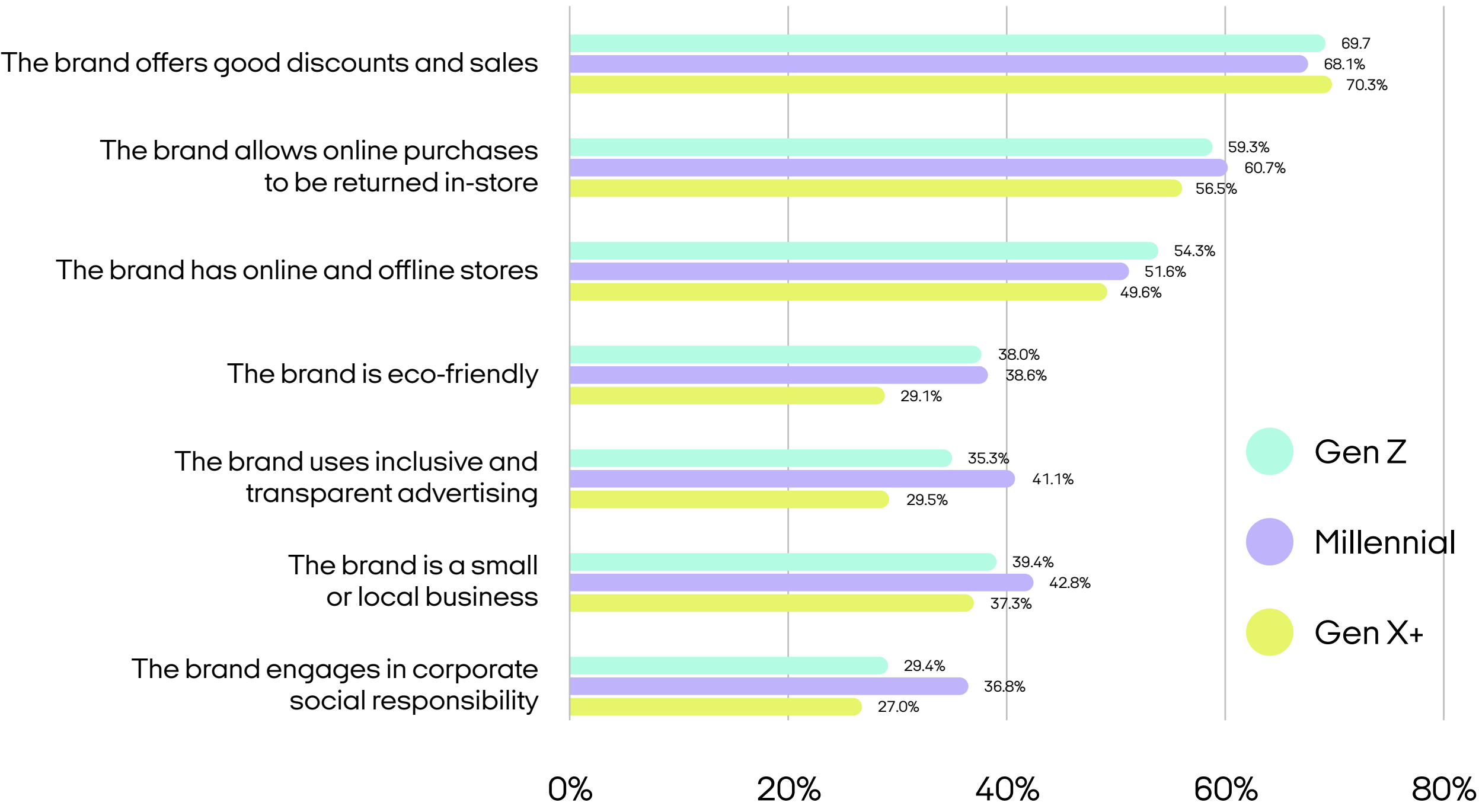
# Back for more.

Gen Z prefer to shop at brands they can expect good discounts and sales from.

They're also loyal to brands that allow them to return online purchases in-store - valuing convenience and flexibility.

Younger consumers are also focused on ethical issues - inclusive and transparent advertising, eco friendliness and corporate social responsibility - with greater numbers of Gen Z's citing these loyalty factors as reasons to keep coming back to the same brand.

Reasons to purchase from a brand again:

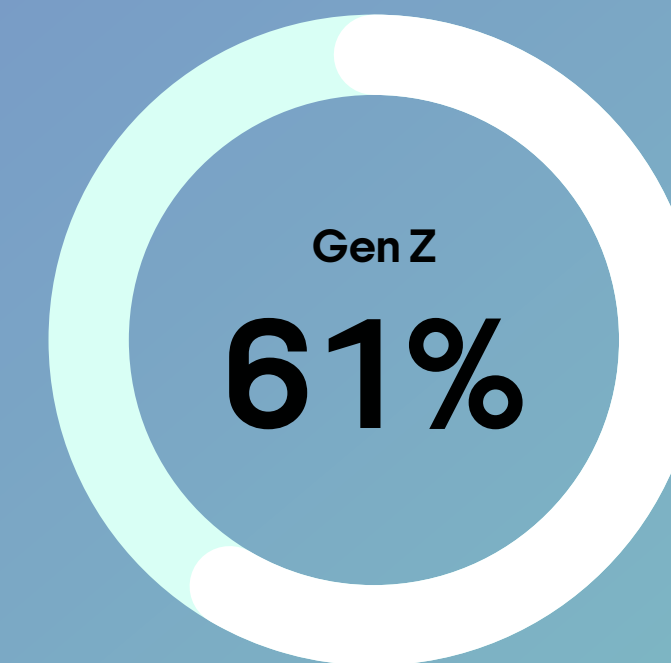




# Data-driven shoppers.

Gen Zs are data driven - at least when it comes to shopping and social media. **48%** of Gen Zs are concerned about social media companies monetizing their data, while **61%** cite good data protection as a reason they keep purchasing from a brand.

Gen Z also aren't afraid to take action to protect their data, with **1 in 10** avoiding online shopping to protect their personal data.



More likely to shop from a brand if they protect personal data.



**1 in 10**

Will shop in-store to reduce sharing data online.



# Sustainability & the future.



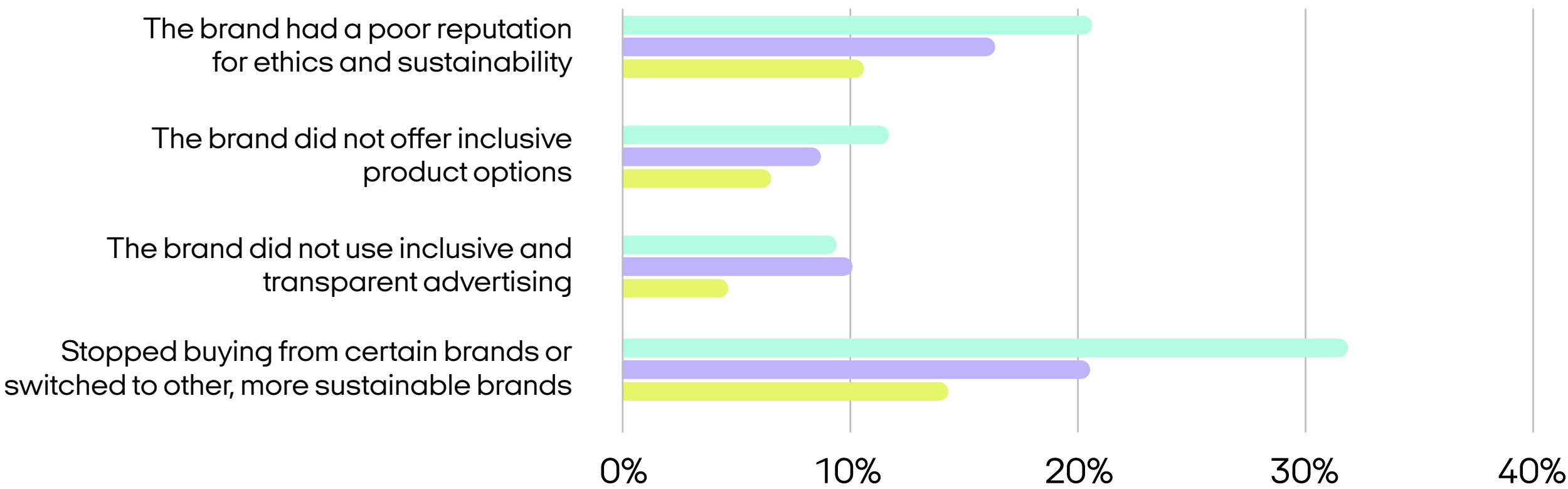


# Forgive & forget.

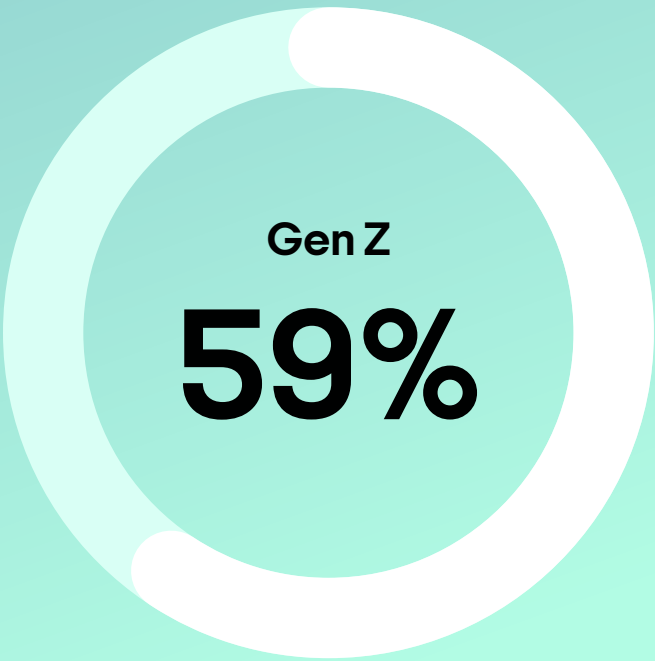
Consumers care deeply about sustainability with **49%** of Gen Z buying sustainable products when possible. Gen Z are also more likely to abandon brands who do not meet their ethical standards - **1 in 3** Gen Z consumers have abandoned a brand in the last 12 months based on that brand's reputation for sustainability and ethics.

- Gen Z
- Millennial
- Gen X+

## Reasons that stopped you from purchasing from a brand in the last 12 months:



Although sustainability is a key factor in Gen Zs purchasing decisions, Gen Z don't hold grudges. Almost **6 in 10** young consumers are willing to forgive a brand who they previously abandoned - providing that brand changes their practices to be more sustainable and ethical.



Willing to forgive a brand who changes their way.



# Into the metaverse.

**Explainer:** The metaverse is a virtual reality space that allows users to interact with each other in a digital environment.



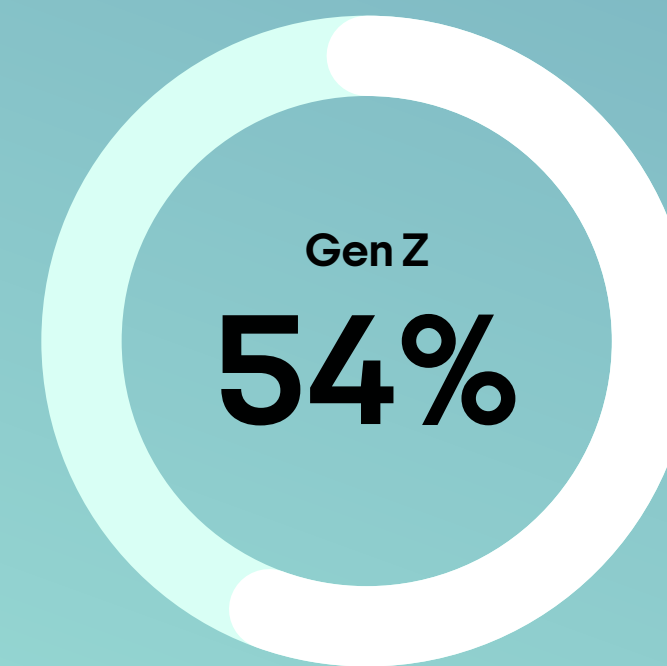
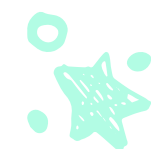
# Now, the future.

What started off as a fantasy amongst cyberpunks, gamers and sci-fi readers has turned into a roaring modern-day race between multi-billion dollar corporations to see who can build the new reality.

The metaverse promises an integrated world that offers it all – from shopping to socializing to schooling – entirely from the comfort of your headset.

This interest further blurs the lines between the real and virtual, with over **72%** of Gen Z interested in buying real world items in the metaverse, and over **65%** interested in buying virtual items.

It may not be fully adopted yet, but the metaverse is here.



Think the metaverse will be a part of every day life in the next 10 years.

But the metaverse is not without its controversy. Some believe it's unrealistic and unnecessary. However, these detractors don't include Gen Z. Over **54%** of Gen Z [and over **62%** of Millennials] think the metaverse will be an everyday part of life in the next 10 years.





# What we have learned.





# Takeaways.

- 1. Gen Z are a generation of resilient optimists.**  
Despite a challenging financial and economic climate, Gen Z are prepared to weather the storm - and look good doing it. Retailers can expect Gen Z to keep up their commitment to shopping, using payment methods like Afterpay to manage their budget.
- 2. Shoppers across every generation value reading reviews about products.**  
Retailers should incorporate reviews into online and in-store offerings to increase purchase conversion.

- 3. In-store is not going away any time soon.**  
Shoppers still value the ability to try before they buy - and delivery delays and costs are turning even more young consumers into omnichannel shoppers. They have high expectations for their in-store experiences, with the rise of phygital shopping here to stay.





# Final thoughts.



4. **Alternate shopping methods are the new reality.** Voice shopping is already popular, while young consumers expect AR/VR and the metaverse to be the real deal.
5. **Social media is everything for young shoppers** - and it's influencing their purchasing decisions and inspiration more than ever before. However, shoppers are increasingly skeptical of social media's use of their data and whether influencers are being authentic. It may be time for retailers to evaluate how they are using social media to advertise their products and ensure they are emphasizing authenticity.

6. **Sustainability is a sticking point for young shoppers.** Brands with poor reputations on sustainability and ethics are seeing abandonment by Gen Z. However, not all is lost. Gen Z are willing to forgive and forget when brands change their approach and buy into sustainable and ethical practices.







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