

Mythbusting TikTok Shop, sustainability, and impulse buys: What really drives Gen Z to make a purchase?

Article







Not all assumptions about how <u>Gen Z</u> consumers shop are correct. While it's true that they're motivated by sustainability, they're also limited by their budgets. It may be difficult to earn their loyalty, but they still have brand affinities.

Here are four assumptions about Gen Z and whether there's any truth to them—straight from members of Berns Communications' Z Suite network of Gen Z consumers.

1. The assumption: Gen Z consumers make a lot of impulse purchases.

The truth: Gen Zers shop with intention.

"I'm not really big on impulse spending," said Rima Makhoul at this week's <u>CommerceNext</u> <u>event</u> in New York City. "I will wait a year or two to buy something that fits seamlessly into my wardrobe and I know I'll get a lot of use out of."

- Items under \$50 are more likely to inspire impulse purchases, said Clay Lute, but for everything else, it's all about timing.
- "I have a running list in my mind of everything I need, but I won't buy until it feels like the right product, right quality, at the right time," he said.

The advice: To encourage Gen Z impulse buys, brands should focus on how their products can provide moments of joy, hope, or peace amidst a chaotic world.

"For the vast majority of Gen Z, existential dread fuels our decisions," said Alanis Castro. "We're constantly being told the world's gonna end, the cost of living is rising, we're not going to retire. So we purchase based on escapism, to make us feel something."

2. The assumption: Gen Z loves TikTok Shop.

The truth: Not all of them are sold.

"I do not like <u>TikTok</u> Shop at all," said Castro. "From a UX standpoint, it's so overwhelming."

- TikTok Shop's trend-driven nature conflicts with Gen Z's intentional buying habits.
- "I'm tempted to buy them because I see people raving about them, but the next week they're raving about something else. I hesitate because I wonder if it's something I'm going to want long term," said Ella Ramirez.



But it's important to remember Gen Z is not a monolith.

"I personally don't like TikTok Shop, but I talk to a lot of Gen Zers, and TikTok Shop is here to stay," said Lute, noting that the platform is particularly helpful for consumers looking for lower-priced goods who may not have access to big-box stores.

The advice: TikTok Shop is just one part of the <u>social commerce</u> puzzle. Brands must understand which platform their audience is spending the most time with and adjust accordingly.

- "I've actually bought a few things from Instagram Shop," said Ramirez. "But that's probably because I use it more and the algorithm knows me better."
- Facebook Marketplace is also a popular platform for Gen Z, said Lute.

3. Assumption: Gen Z is passionate about sustainability.

The truth: Gen Z is interested in sustainable products, but constrained by price

Two-thirds (66%) of Gen Z lived paycheck to paycheck as of March 2023, according to a survey conducted by LendingClub in partnership with PYMNTS.

"Money is always going to come first," said Lute. "That's the ultimate choice for Gen Zers: Are we going to shop according to our values or do we have to shop according to where we are [financially]?"

- Sustainable purchases can vary by category, said Lute, noting apparel is one of the main categories Gen Z tends to shop less to afford more sustainable options.
- But when it comes to everyday essentials, that's where consumers are making more compromises.

The advice: For sustainable brands, it's all about playing the long game with Gen Z.

- "Right now, we can't afford it," said Lute. "But 10 years from now, we will be able to shop sustainably, so brands should start targeting Gen Z now."
- To do so, education is critical. Brands can use <u>social media</u> to highlight product quality and ethical business practices, which may help Gen Zers justify their purchases.



4. The assumption: Gen Z's loyalty is hard to earn.

The truth: It is.

For Gen Z, brand <u>loyalty</u> isn't just about making a purchase, it's about their perception and interaction with a brand.

- "We have to look at brand loyalty with a new lens," said Lute. "Gen Z may not be loyal customers, but we could be brand enthusiasts."
- For example, Lute doesn't buy something every time Telfar drops new merch, but he continues to support and engage with the brand because he enjoys it.
- "There may be brands I love and never buy from," he said. "Or there may be brands I revisit and make a purchase from down the line."

The advice: Just because a Gen Z hasn't purchased your brand doesn't mean they won't in the future. Brands need to nurture their relationships with Gen Z, using social media or in-person events to create a sense of community.

- Loyalty programs should make rewards quick and easy to earn, offering discounts or cash back whenever possible.
- "I only sign up for loyalty programs if they are benefiting me quite regularly," said Makhoul. "I love Sephora because it offers cash back. Getting a tangible financial incentive is a big deal."

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