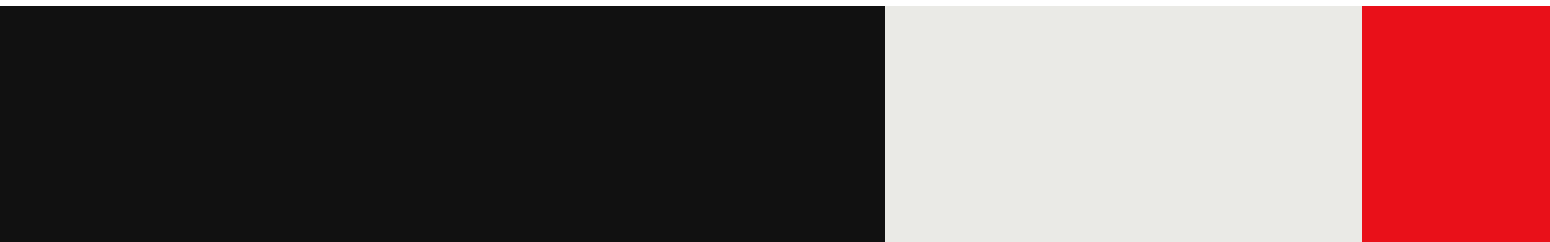



How Gen Z shops and buys in 5 charts

Article



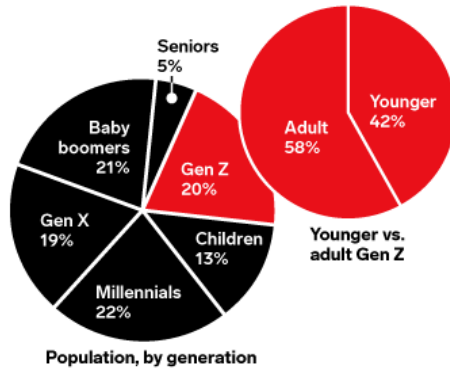
As **Gen Z's buying power grows**, brands must understand how to connect and engage with Gen Zers, whether through leaning into product discovery or creating a more seamless payment process.

We take a look at some of Gen Z's shopping habits and what they mean for retailers.

1. Gen Z takes a bigger piece of the pie

US Gen Z and Total Population, 2023

% of total



Note: ages 0-100; children=born after 2012; Gen Z=1997-2012; younger Gen Z are ages 11-17, adult Gen Z are ages 18-26; millennials=1981-1996; Gen X=1965-1980; baby boomers=1946-1964; seniors=1928-1945; numbers may not add up to 100% due to rounding
Source: US Census Bureau, "US Population Projections: 2017-2060"; Insider Intelligence calculations, January 12, 2023

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Gen Z will make up 20% of the population this year, in line with the percentage of both millennials and Gen Xers.

By 2025, Gen Z will surpass Gen X in its number of US digital buyers, per our forecast. As digital natives, Gen Z expects a seamless digital experience from brands and retailers, whether they're on social media, a website, or an app.

2. Loyalty is important, but not a guarantee

Attitudes Toward Personal Brand Loyalties According to Consumers Worldwide, by Generation, Aug 2022

% of respondents

	Gen Z (18-25)	Millennials (26-40)	Gen X (41-55)	Baby boomers (56-75)
I am loyal to some brands, but I'll buy from competitors	71%	75%	77%	85%
There are examples where I frequently buy from the same company, but I don't feel loyal	65%	66%	67%	70%
I'm definitely loyal to some companies, and I'll pay more to shop with them	64%	60%	61%	47%
I'm not loyal to any particular companies	22%	27%	26%	36%

Note: in the last 6 months
Source: Cheetah Digital, "2022 Digital Consumer Trends by Age Group," Aug 18, 2022

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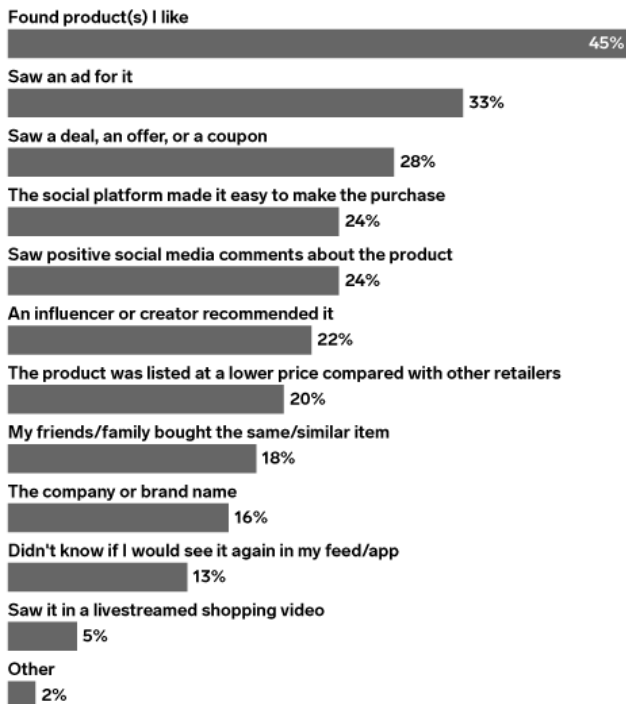
Of all the generations, Gen Z is most likely to spend on brands they love, with 64% indicating they would pay more to shop with brands they're loyal to, according to Cheetah Digital. But

71% also said they'd buy from competitors, suggesting that other factors are at play (like price or convenience) when it comes to purchasing decisions.

3. Product discovery drives social commerce

Reasons US Gen Z Social Media Buyers Made Their Most Recent Social Media Purchase, June 2022

% of respondents



Note: n=193 ages 18-25; respondents selected up to 3 responses

Source: Insider Intelligence, "US Social Commerce and Digital Trust Survey 2022," Sep 2022

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Half of US Gen Z social users make purchases on social media, according to our data.

Product discovery is the top reason that Gen Zers buy through social media, with 45% saying they bought something because they found an item they liked.

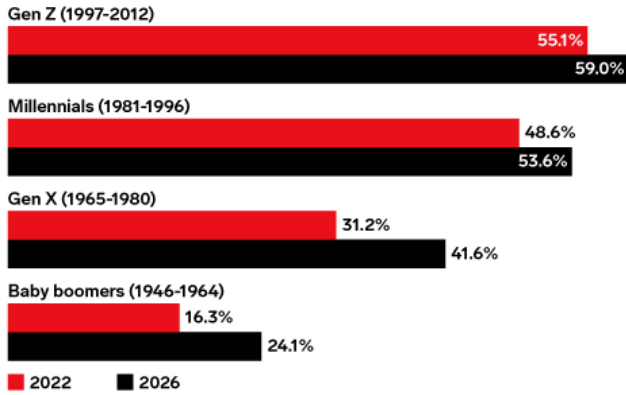
Interestingly, influencer and creator recommendations aren't huge drivers of purchase behaviors, nor are company or brand names.

Livestream shopping, which has yet to catch on in the US, is also a low driver of social media purchases. Still, companies like TikTok and Amazon are building out their livestream commerce capabilities in the hope of driving consumer adoption.

4. Gen Z is interested in alternative payment methods

US Buy Now, Pay Later (BNPL) User Penetration, by Generation, 2022 & 2026

% of digital buyers in each group



Note: ages 14+; internet users who have accessed a BNPL account digitally and have made a payment toward a purchase at least once in the past year; includes purchases of goods and services

Source: Insider Intelligence, June 2022

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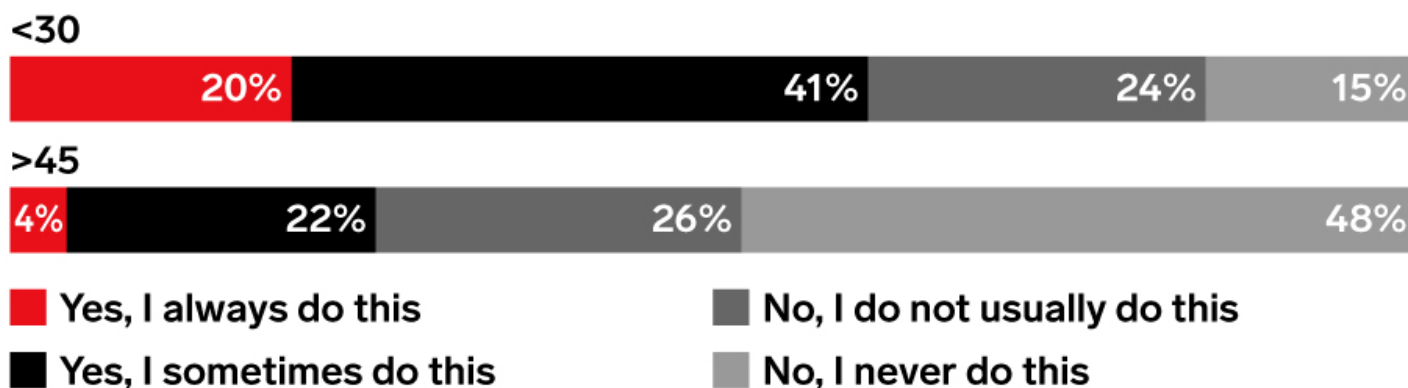
Gen Z is the generation most likely to use buy now, pay later services to make a purchase, which makes sense, as the cohort includes younger buyers who haven't built up credit yet but still want to finance small purchases.

Gen Z consumers are also embracing other emerging digital payment technologies like mobile wallets, contactless solutions, and peer-to-peer payment apps, according to our [“Payments Trends to Watch for 2023”](#) report.

5. Bracketing is a common behavior

US Shoppers Who Bracketed* Purchases in the Past Year, Under Age 30 vs. Over Age 45, Sep 2022

% of respondents



Note: among those who made an online return in the past year; *the practice of purchasing multiple items with the intent of returning some

Source: Happy Returns, "Returns Happen 2022," Oct 30, 2022

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Gen Z is no stranger to bracketing (i.e., buying multiple versions of the same item and returning those that don't work). This behavior can result in a nightmare returns situation for retailers, who are already **struggling under the weight of increased returns**.

To discourage bracketing behavior, retailers can institute returns fees, add more sizing and fit information to product descriptions, add more customer reviews, and/or alert customer service to customers with multiple sizes of the same item in their cart so they can be helped to find the right fit.

This was originally featured in the Retail Daily newsletter. For more retail insights, statistics, and trends, [subscribe here](#).