

The Daily: The digital habits of US generations —Gen X's approach, millennials' money, and Gen Z on social media

Audio



On today's podcast episode, we discuss the digital habits across generations: what baby boomers' top digital activity is, Gen X's approach to all things digital, and how much more time Gen Zers actually spend on social media over other generations. Tune in to the discussion with our analyst Paola Flores-Marquez and vice president of research Jennifer Pearson.

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Episode Transcript:

Paola Flores-Marquez:

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firmly established in the way that they've always done things, they really weigh whether or not it's worth their time and their effort to learn a new habit.

Marcus Johnson:

Hey, gang. It's Tuesday, January 23rd. Jenny, Paola, and listeners, welcome to Behind the Numbers: an eMarketer Podcast. I'm Marcus. Today, I'm joined by two people. Let's meet them. We start with our vice president of all things research based in New York. It's Jennifer Pearson.

Jennifer Pearson:

Hi, Marcus and everyone.

Marcus Johnson:

Hey, Jenny. Welcome back to the show. We're also joined by one of our analysts, also based in New York, it's Paola Flores-Marquez.

Paola Flores-Marquez:

Hello, hello. Excellent pronunciation. Thank you.

Marcus Johnson:

It was awful, but thank you so much.

Paola Flores-Marquez:

I'm flattered. Thank you.

Marcus Johnson:

My heart rate is through the roof trying to not butcher that, so I appreciate the lies. Anyway, that's who we have on the episode. What is the fact of the day? Today it is, what is the oldest living animal on the planet? Can you guess it?

Jennifer Pearson:

I'm between either a turtle or a jellyfish, because I know there's a immortal jellyfish, but I'm going to go with turtle because I don't think this is a trick question.

Paola Flores-Marquez:

Yeah, something in the sea.

Marcus Johnson:

Good guesses. Something aquatic. These are really, really well-thought-out guesses. So according to the Guinness World Records, the oldest known living terrestrial animal is Jonathan, a Seychelles giant tortoise, who now is a longtime resident of the remote South Atlantic Island of St. Helena, is believed to have been born in 1832, thus making him 191 years old. That was in 2023, so this year he'll be celebrating 192. And they may have underestimated. He might be older, but he's at least that old.

Paola Flores-Marquez:

Wow!

Jennifer Pearson:

That's so old. Wow.

Marcus Johnson:

So this tortoise is nearly as old as the steam locomotive, and it's about 50 years younger than America.

Jennifer Pearson:

Wow!

Marcus Johnson:

Shocking. But you're right, there is a jellyfish that is immortal. It just kind of regenerates itself. Yeah, so great guesses, folks. Anyway, today's real topic, the digital habits of Americans by generation. Quite the pivot. In today's episode, first in the lead, we'll cover the distinguishing digital behaviors of each generation, knowing other news today. So let's get to it.

We're talking about the digital habits of Americans by generation. But before we do that, Jenny, you thought that definitions might be a good place to start because everyone gets older every day and we're in 2024, and so some of these definitions of generations might have changed. Talk to us about what constitutes what age for what generation.

Jennifer Pearson:

Sure, yeah. So this year in 2024, our definition for Gen Z, they're ages 12 to 27 now. Our millennials are 28 to 43. Gen X is ages 44 to 59, and baby boomers are ages 60 to 78.

Marcus Johnson:

Okay, very good. Let's go in reverse order. Let's start with the boomers that you finished with. Paola, what is the top digital activity for baby boomers age 60 to 78?

Paola Flores-Marquez:

It's going to be e-commerce, which I think doesn't come as a surprise. They're traditionally very consumerist. They're famous for their love of objects and shopping. So I think it's really fascinating that it's one of the digital habits that they've adopted, that they've taken to so well, and it's higher than digital video or social media. It's around about a 66% penetration rate, which is not that high compared to other generations, but it's high for them because they're a little reluctant to take up a lot of new digital habits.

Jennifer Pearson:

It was really accelerated. The pandemic more than any other generation, I think, forced the hand of boomers to go to those online destinations. Our forecast show 2019 about 60% were shopping online, then that jumped to nearly 65% 2020 during the pandemic, more so than other generations.

Marcus Johnson:

And it's a sustained behavior or will be going forward. 66% of boomers buying things online today, the same share will in 2027. So it's not going up, but it's not going down. And Paola, you point out in the research for this that about half a million buyers behind Gen Z, so they're almost neck and neck with Gen Z in terms of the number of people in their generation who buy things online. But that gap does start to widen quite quickly from this year onwards as Gen Zs age into buying things and having money.

Paola Flores-Marquez:

I think that much like anybody, baby boomers have adopted something that makes their lives easier, and that's what digital habits are supposed to do. And so I think the simplicity and ease of access of things like Amazon, or I think I recently just wrote another report where one of the baby boomers surveyed talked about how they love apps that simplify things for them,

that make it really easy to use. And so I think that's the key in getting them to adopt that. And I think a lot of apps have caught onto that, a lot of e-commerce apps have caught onto that.

Marcus Johnson:

Yeah, it seems like there's a lot of willingness to use digital things. It's just the gateway into using them can sometimes be too difficult. And if you make it very easy, that's why I think a lot of older folks do tend to prefer iPhones because it is very kind of ABC, here's how it works, here's the benefit, and doesn't overcomplicate things. And so the penetration in a lot of these activities, buying, video, social media, gaming, they're high, but they could be higher, you can argue, even health devices, wearable devices in particular for older folks.

Paola Flores-Marquez:

Yeah, I completely agree. And I think to your point about iPhones, it's consistent across all of their devices. They don't have to relearn a new system, so they really love that. I think everybody loves that. I have an iPhone too, so I also love that. But I think another example of that would also be Facebook's recent push for Instagram, linking all the accounts and making it incredibly over, or Meta's push to link Instagram and Facebook.

I've seen a lot of baby boomers, anecdotally, start to adopt Instagram because they're noticing that a lot of younger users aren't on Facebook as much anymore, and they primarily use Facebook to stay connected with their families. And so they've started opening Instagram accounts to just try and keep up. But that embrace ends there because once they get on the platform of Instagram, it becomes much more complicated than what they're used to on Facebook. So there is a willingness to follow everyone and embrace it, but there is a hurdle in terms of accessibility.

Marcus Johnson:

A lot of the time it's I don't know how, not I don't want to. I've already tried.

Jennifer Pearson:

With both, I think depending on the age, because talking a pretty sizeable between age 60 and 78, so the younger boomers have some of that spending power, so maybe driving up that digital shoppers and buyer's numbers, but then the retired boomers may have some of that time to spend on Instagram and other platforms.

Paola Flores-Marquez:

Yep, yep, yep.

Marcus Johnson:

Yeah, a very good point, folks at very different stages of life in that generation. A lot of generations, but particularly in this one. And just going back to some of our numbers for what baby boomers are doing across digital activities, you have this in your report, Paola, but 66% buying things online, 60% using digital video, 54% social media, 43% digital gaming. These are some really high shares, even podcasts, 26%.

It's not until you get to the digital only things that you start to see much lower shares. So some very, very strong numbers across all or a lot of digital activities that we track. Let's move to the next generation in reverse chronological order, Gen X. So these are 44 to 59 year olds. Paola, what's one unique characteristic in how Gen X engages online?

Paola Flores-Marquez:

I would say Gen X's online usage could be described as utilitarian. They really weigh the cost and benefits of adopting a new habit if they're not already plugged in. I think that when people are already plugged in and they've been lifelong fans of the internet and digitization, then they're much more quick to adopt new habits. But for Gen Xers who are firmly established in the way that they've always done things, they really weighed whether or not it's worth their time and their effort to learn a new habit.

Marcus Johnson:

Do you have an example of how this plays out in real life?

Paola Flores-Marquez:

Yeah. So Gen X's top platforms are YouTube, Facebook, Netflix. I mean, YouTube is universal. Everybody loves YouTube. It's so, so useful in so many different ways. But really when they're looking at their platforms, it's like Facebook is once again connecting them with family, and then Netflix they're using as entertainment and sharing with their kids. And so they're really platforms that serve a purpose and aren't just frivolous, which is not to say that's true of everybody. Obviously people have different tastes, but they're just busy, busy people.

Marcus Johnson:

Your research points out, as you mentioned, that Gen X internet users, most of them use YouTube, 77%, then Facebook, 73, and Netflix, 59. Now, a lot of folks might think, "Well, that's a lot of generations," but then you point out no other tracked digital platforms crossed 40%. So it is these three platforms specifically by a mile, I would argue. And so that's what makes their approach to digitization, as you say, more utilitarian, you could argue, than other generations.

Jennifer Pearson:

They're firmly in the workplace. Most are of working age and a large share parents. So using this time wisely and using it for the useful purposes that Pao highlights in the report.

Marcus Johnson:

Yeah, they're practical folks, those parents. Let's move to millennials. They're up next, 28 to 43. And you have some research pointing to how millennials are the most digitally advanced financially. How so?

Paola Flores-Marquez:

I mean, I would say millennials aren't so much the children of the internet as Gen Z are, but they're babysat by the internet. And so they were able to embrace a lot of these new novelties like Venmo and Cash App. And so that translated into high rates of digital wallet adoption. They have the highest rates of digital wallet adoption, and now they're embracing digital only banking at twice the rate of Gen X, who would be the most to benefit from it because they're about to inherit a massive amount of wealth and political power.

But millennials seem to be the ones that are taking it up more because they've become accustomed to looking for digital avenues or digital alternatives to the way it's always been done. And so it's not to say the population is massive, right? We're talking about 16% of millennials, but it's incredibly high compared to other generations. And so we're starting to see what digital adulthood is going to look like in the future, and it offers an opportunity for institutions to prepare for those future milestones and how they can digitize and advance and take advantage of it.

Jennifer Pearson:

And Pao, just highlighting you honed in on, I think it's a full lifestyle for digital and millennials and their habits. You honed in on some health fitness trackers and tracking fitness, some data

from a couple sources about that. When did the Apple Watch debut? April 2015. I think that was perfectly timed. The youngest millennials were 19. So adults aging into that and becoming part of their lifestyle. And then of course, bringing it forward as they age up.

Marcus Johnson:

You can have two different generations using something a similar amount, but what they're doing with it could be quite different depending on their life stage. Looking at some of the numbers for digital banking users in the US as a shared population, millennials, 90% Gen X, 85%, boomers, further back, 67, Gen Z, about half of them. But then if you go to mobile banking users, those discrepancies are much more pronounced. 87% for millennials. And you have to go all the way back to 62% for Gen X, 55 for Gen Z, the youngest, and then 40% for baby boomers.

So much more pronounced on mobile in terms of banking. And then again, what you're doing, are you starting out in your financial careers? Are you starting to accumulate money? Are you starting to save to buy homes? Are you looking for retirement? So there's different levels of penetration, but there's also different activities within that that we also need to look into. Let's move to Gen Z, the youngest group that we're talking about. Obviously Gen Alpha emerging as their own generation, but they're still 14, 13, 14 and younger.

How much more time, Paola, did Gen Z actually spend on social media than other generations? Because I feel like there is this conventional wisdom that they are spending a lot of time on social, but how much longer are these 12 to 27 year olds actually spending with social media platforms?

Paola Flores-Marquez:

So just on the platforms that we track, they spend about more than two hours on just those alone. We're talking Facebook, Insta, TikTok, and Snap, with Facebook at the bottom. And that's about 47 minutes more than millennials who are the second most time spent. The most time is spent on TikTok, and then Insta, and then Snap.

And so TikTok, they primarily I think uses as entertainment because we did a survey recently and they use Insta and Snap as messaging devices, so it's like a combo of entertainment and messaging and staying connected, whereas TikTok is primarily just for the entertainment value, but they use it constantly.

And I think part of that is because the pandemic changed a lot of social habits and a lot of time that would've been spent hanging out in person has been replaced by digital time. And that can also be seen in their digital gaming. Digital gaming is highest among Gen Z in both users and penetration, which is one of the few places where they outstrip millennials because millennials are just so massive that they usually just take the lead inherently.

It's going to be really interesting to see whether or not they can hold that lead in digital gaming as they start entering the workforce and start leaving their homes and having to be out of those comfort spaces. But I truly do think the pandemic changed a lot of how they prioritize digital spaces in their lives and how much more they're woven into their personal lives compared to previous generations.

Marcus Johnson:

Your initial part of your point is something that Jasmine Enberg, who's our principal analysts covering social, talks about quite a lot, which is that we compare these because they're all in the realm of social media, but they have very different use cases, even within the generation of a Gen Z. This is for this, this is for that, this is for the other thing. And so they are hard to compare side by side because they do have different purposes. Jenny, when you look at this generation and their social media use, what leaps out to you?

Jennifer Pearson:

I love that Pao highlighted... Well, I'll call out a wonderful analysis she's done where we're looking at our social platforms and just the age breakout of each or composition of each platform. And looking at Gen Z taking up so much of that Snapchat, so Snapchat is Gen Z in a way, as making up that, constituting that platform, and TikTok, of course, and Instagram. I think YouTube stands out for the time spent, Gen Z spending so much time, but then so many generations are, so I don't know if that's a true standout.

I think it's those platforms that, of course, we've heard so much about, Snapchat and TikTok, and that really driving that up. Where our forecasts are for social platforms start at 18 for the forecast. So when we're looking at just teen specific studies, I think it just amplifies all of that. So I don't know if, Pao, you found that in your research as well.

Paola Flores-Marquez:

Yeah, I think that there are certain ones that appeal more to the teen sector. I think we think about teens today growing up under constant supervision and constant surveillance. And so I think even though they may not use Snapchat for secretive purposes, I think it does offer a space where they can message each other without those consequences because of the disappearing messages.

And that also speaks to the desire for authenticity in apps like BeReal or Lapse, where they're forcing you to be in the moment. And so there's something to be said about the effect that the constant recording aspect of our lives is affecting and the desires for that market.

Marcus Johnson:

Yeah, the internet's pretty permanent. So to close out the episode, which generational digital habits, Paola, that we haven't talked about did you find most fascinating in your research?

Paola Flores-Marquez:

This one was hard, but I think one of the things that fascinated me the most was generational attitudes towards AI, because they think older generations look at it with either fear or this excitement, the potential, and younger generations are looking at it as just a tool. They're already using it to take notes.

They're using it to help with outlines. They're using it as just another asset to make their lives easier, and they don't have the same level of apprehension. I think there might be some tension in terms of the ownership over art and crediting artists properly. But in terms of actual office use or school use, they're already embracing it.

Marcus Johnson:

Yeah, it's not as apocalyptic or as helpful as a lot of the older generations might see it. Jenny, how about for you? Which generational digital habits that we haven't talked about did you find most fascinating?

Jennifer Pearson:

I don't know if it's fascinating, but over the years we've watched LinkedIn, which had a pretty firmly Gen X base, as in the workforce, high users. Our Gen X is getting older and aging out of the workforce, not necessarily right now, but I'd be curious in the future how we're looking at boomers aging out and Gen X as they're leaving the workforce, what does that look like on

LinkedIn? We do see relatively high adoption in Gen Z and millennials, but I'd just be curious to watch that and see how the demographics of that platform shift.

Marcus Johnson:

Well, Paola's full report on this very topic is called US Digital Habits by Generation. Millennials and Gen Z Set the Path for Digital Adulthood. But that's all we've got time for for this episode. A huge thank you to my guests. Thank you to Jenny.

Jennifer Pearson:

Thank you.

Marcus Johnson:

And thank you to Paola.

Paola Flores-Marquez:

Thank you.

Marcus Johnson:

And thank you to Victoria who edits the show, James who copy/edits it, Stuart who runs the team, and Sophie who does all of our social media. Thanks to everyone for listening in to the Behind the Numbers: an eMarketer Podcast. You can hang out with Sarah Libo tomorrow on the Reimagining Retail Show if you would like, where she will be speaking with Zak Stambor and Ariel Fager talking all about retailers to watch out for in 2024.