

GEN Z: ONLINE SHOPPING BEHAVIORS – US – 2023

Gen Z represents an increasingly important target audience across categories; brands will want to understand what they want from an online shopping experience.



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Report Content

OVERVIEW

- What you need to know

Key issues covered in this Report

- Definition
- Market context

EXECUTIVE SUMMARY

- Key takeaways
- Target audience
 - Graph 1: population by generation, 2018-28
- Consumer trends
- Competitive strategies and market opportunities

GEN Z BY THE NUMBERS

- Gen Z is an increasingly important target audience
 - Graph 2: population by generation, 2018-28
- Diversity is a key area of focus for Gen Z
 - Graph 3: population by race and generation, 2023

THE CONSUMER

- The Gen Z consumer: fast facts

Source of spending money

- Gen Z has varying levels of financial independence
 - Graph 4: source of spending money, 2023
- The transition to adulthood can be shocking
- Multicultural teens may have less freedom to spend
 - Graph 5: source of spending money – Gen Z teens, by race and Hispanic origin, 2023
- Support Gen Z adults' financial goals
 - Graph 6: source of spending money – Gen Z adults, by gender, 2023
- Financial goals and mental health can be interconnected
 - Graph 7: skills interested in developing – Gen Z adults, 2023

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Items purchased online

- Increased spending comes with age
 - Graph 8: items purchased online in the past 12 months, 2023
- Crocs taps into self-expression through collaborations
- Blurring gender lines will create opportunities across categories
 - Graph 9: select items purchased online in the past 12 months – Gen Z teens, by gender, 2023
- Opportunity exists to further engage Gen Z female consumers in entertainment
- Parents cover the majority of teens' needs
 - Graph 10: purchase involvement by product category – Gen Z teens, 2023

Purchases by shopping channel

- The online channel plays a role in Gen Zs' shopping experience, regardless of where purchases are ultimately made
 - Graph 11: purchases by shopping channel (NET), 2023

Product discovery

- Gen Zs are swayed by social media
 - Graph 12: product discovery, 2023
- Target promotes a product launch through TikTok
- Leverage short-form video content to reach multicultural teens
 - Graph 13: product discovery – Gen Z teens, by race and Hispanic origin, 2023
- Nike utilizes YouTube to engage multicultural consumers
- Online reviews become more important as consumers age
 - Graph 14: product discovery – Gen Z adults, by gender, 2023

Beginning the shopping process

- Gen Z teens are ready to shop
 - Graph 15: beginning the shopping process – Gen Z teens, 2023
- Amazon is the prime starting point for Gen Z adults
 - Graph 16: beginning the shopping process – Gen Z adults, 2023
- Investing in brand awareness can pay dividends, particularly among Black teens and older females
 - Graph 17: beginning of the shopping process – Gen Z teens, by race and Hispanic origin, 2023
- Fenty leans on the metaverse to drive brand awareness

Retailers shopped

- Gen Zs follow the shopping behaviors of their parents until they have more financial and choice freedom
 - Graph 18: retailers shopped online in the past 12 months, 2023
- Social media presents various opportunities to connect with Gen Z
 - Graph 19: retailers shopped online in the past 12 months – Gen Z teens, by daily social media website visits, 2023
- Social media presents various opportunities to connect with Gen Z

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- Maximize ad spending on social media platforms where your target audience is
 - Graph 20: retailers shopped – Gen Z adults, by daily visit social media website visits, 2023
- Sephora targets its audience on Pinterest with a multicultural approach

Important factors when shopping online

- Offer value beyond price to appeal to Gen Z
 - Graph 21: important factors when shopping online, NET – any rank, 2023
- Shipping costs can be a deal-breaker for some consumers
- Tailor the shopping experience based on the factors consumers value
 - Graph 22: important factors when shopping online – Gen Z teens, by gender, NET – any rank, 2023
- Focus on delivery costs to appeal to female Gen Zs
- Gen Z adult women are more cost-conscious than their male counterparts
 - Graph 23: important factors when shopping online – Gen Z adults, by gender, NET – any rank, 2023
- Despite Gen Zs' cost-conscious behaviors, there are opportunities for luxury brands

Online shopping behaviors

- As Gen Zs age, they are more likely to think twice before making a purchase
- Financial constraints at home influence multicultural teens' shopping behaviors
 - Graph 24: online shopping behaviors – Gen Z teens, by race and Hispanic origin, 2023

Attitudes toward shopping online

- Gen Z can be loyal – if the complete offer is attractive
 - Graph 25: attitudes toward shopping online, 2023
- ThredUp's offering: affordable, eco-friendly and trendy
- Gen Z adults are intentional with their spending habits
 - Graph 26: attitudes toward shopping online, 2023
- Tech has good and bad potential
 - Graph 27: attitudes toward shopping online, 2023
- Pinterest joins The Inspired Internet Pledge

COMPETITIVE STRATEGIES

- Brands look to show support for LGBTQ+
- Clinique takes advantage of the festival season to engage Gen Zs
- American Eagle establishes its presence in Threads

Opportunities

- Key opportunities

THE MARKET

Market drivers

- Inflation continues to be an area of concern
 - Graph 28: Consumer Price Index change from previous period, 2020-23
- The US economy remains resilient
 - Graph 29: GDP change from previous period, Q1 2007-Q2 2023
- Strong unemployment rate drives optimism
 - Graph 30: unemployment, 2020-23
- Consumers continue to spend; expect an impact as student loan repayments resume in Q3
 - Graph 31: disposable Personal Income Chained (2012) dollars, 2022-23
- Gen Zs' shopping behaviors are influenced by their technology adoption
- Address and support the issues young consumers care about

APPENDIX

- Consumer research methodology
- Generations
- Abbreviations and terms

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