

Decoding Gen Z

Insights to engage and retain this influential generation



Zeroing in on Gen Z

Known as “digital natives,” Generation Z was born into a world of rapid technological advancement and unprecedented access to information.

They were raised in the aftermath of 9/11, witnessed the effects of the Great Recession, and had their social lives, educations, and careers interrupted by the pandemic. As such, they possess a unique blend of digital fluency, social consciousness, and self-reliance.

As they continue to gain purchasing power, Gen Zers are reshaping the retail landscape in profound ways. Understanding their behaviors, preferences, and values has never been more important for businesses.

Ready to learn more? Let’s uncover and explore the Gen Z consumer.



Highlights

- 1 Defining and understanding Gen Z
- 2 Exploring Gen Z shopping behaviors and preferences
- 3 Identifying the Gen Z approach to finances



Defining and understanding Gen Z

Born between 1997 and 2012,³ Gen Zers have grown up in a digital world where smartphones, social media, and instant access to information have always been a part of their lives. But Gen Z is more than just their technological fluency.

They are highly collaborative, self-reliant, and have a pragmatic attitude about how to address a set of inherited issues like climate change.¹

Key characteristics of Gen Z

Tech-savvy. Gen Z's proficiency with technology is unparalleled. They are not just users but creators, influencers, and critics within the digital realm.

Their lives have a strong link with the online world, where they consume, produce, and share content at a rapid pace. This digital fluency impacts how they learn, work, socialize, and make purchasing decisions.

Financially mindful. Having grown up during the Great Recession, Gen Z exhibits a thoughtful approach to finances. Many witnessed their parents struggle financially, which instilled in them a strong sense of financial responsibility.



Gen Z currently accounts for over 20% of the U.S. population.²



The oldest Gen Zers are starting their post-education years, with new careers and, possibly, families. The youngest are 12.³

They prioritize the financial stability that comes with saving and making smart investments.

Authentic and direct. Gen Z values authenticity in their personal interactions and from the brands they support. They prefer direct and transparent communication, avoiding overly polished or artificial messages.

This quest for realness influences their consumer behavior, social media usage, and expectations from employers and institutions.¹

Diverse. Gen Z is the most racially and ethnically diverse generation of Americans to date. They will also be the last generation that is majority white.

Socially minded. With technology at the forefront of their lives, Gen Zers have been able to connect to faraway cultures, issues, and news earlier and more often than the generations before them.

As a result, Generation Z members tend to be more actively engaged in social issues.



Gen Z demographics⁴

48%

Non-Hispanic
White

25%

Latino or
Hispanic

15%

Black

6%

Asian American
or Pacific Islander

5%

Two or more
races

2%

American Indian
or Alaska Native

Top seven social issues for Gen Z⁵

- 1 Health care
- 2 Mental health
- 3 Higher education
- 4 Economic security
- 5 Civic engagement
- 6 Racial equity
- 7 Environment

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Exploring Gen Z shopping behaviors and preferences

Born into a digital era, Gen Z's consumer habits reflect a blend of technology, sustainability, and value-driven purchasing decisions.

Understanding how this generation shops is key to forging meaningful connections that drive engagement and conversions. Leverage these insights and statistics to stay ahead of the curve and resonate more effectively with Gen Z.

The digital shopper

Gen Z is highly adept at using technology to enhance their shopping experiences. Here are some noteworthy points.

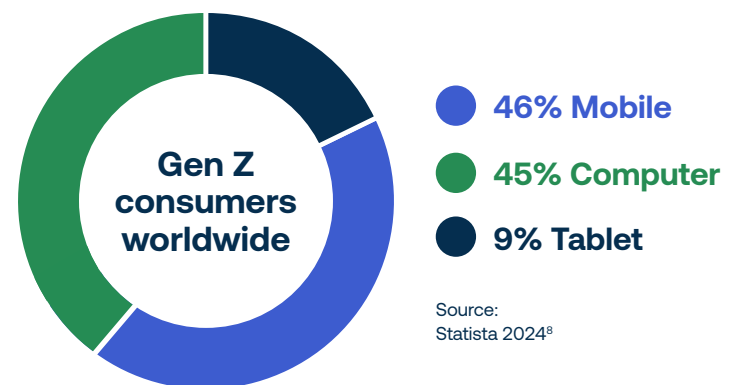
In-store vs. online spending. While Gen Z prefers to shop online, they are likely willing to spend more in-store. A recent survey found that Gen Z is comfortable spending between \$20 and \$50 online but is willing to spend up to \$100 in-store.⁶ This suggests that physical stores still play a crucial role in their shopping journey, especially for higher-priced items they prefer to see and test in person.

56% of Gen Zers prefer to shop online than in-store⁷



Mobile shopping Mobile phones are the most popular online shopping device for Gen Zers, with 46% showing a preference for browsing and buying via smartphones.⁸

Devices Gen Zers prefer for online shopping



AR experiences Gen Z has a preference for augmented reality (AR) tools, which allow them to visualize products before they buy. In fact, 92% of Gen Z wants to use AR for shopping.⁹

Social media Gen Z leverages social media as a significant part of their shopping journey. A recent report found that 85% of Gen Z says social media has an impact on their purchasing decisions.¹⁰

It's a place for them to discover new products, read reviews, and see items in action through videos.



The thoughtful consumer

Gen Z's shopping habits reveal a generation that puts a lot of research and thoughtful consideration into their purchases. They also believe in shopping with brands that share their personal values.

Research before buying. Approximately 47% of Gen Z shoppers prefer to wait at least a few days before making a purchase, highlighting their desire to make informed decisions.⁶

Shared values. Gen Z appreciates brands with a cause, especially when it comes to sustainable retail practices. Many will even pay extra to make sustainable choices, with 64% willing to spend more to purchase an environmentally sustainable product.¹¹

Authenticity Authenticity is key for this generation. Gen Zers prefer brands that avoid perfectly curated, overly airbrushed ads, advocating instead for reality-based advertising.

A demand for value and convenience

Gen Z has grown up in a digital world of endless options and instant gratification, all while navigating economic uncertainties.

As a result, they've learned to prioritize two key factors in their shopping experience: convenience and value.

Price-conscious. While Gen Z consumers prefer discount destinations, they're willing to pay more when the shopping experience lives up to their expectations. A recent survey found that 48% Gen Zers are willing to pay a premium to have online orders delivered more quickly.¹⁰

Overall, however, they are highly cost-conscious. The same survey found that 48% of Gen Z consumers shop most frequently at discount retailers.¹⁰

Seamless shopping. Gen Z places a high importance on convenience, speed, and efficiency in their shopping experience.

Specifically, 46% ranked quick and easy checkout as the most important factor in their shopping experience, followed closely by fast shipping (45%), and being able to immediately get what they want in-store (39%).¹⁰



82% of Gen Z trusts a company more if the images used in their ads are of actual customers¹²

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Identifying the Gen Z approach to finances

The Gen Z approach to managing finances reflects a contrasting mix of uncertainty and forward-thinking adaptability. Gen Z is coming of age in a time characterized by high inflation, soaring college costs, and a competitive job market.

These economic pressures have made them acutely aware of financial realities. Unlike their predecessors, they've had to adapt quickly and be more mindful of their personal finance and consumption habits.

Over 50% of Gen Zers express extreme concern about not having enough money¹³

Financial mindset. Despite the financial hurdles they face, Gen Z is proactive in their approach to managing money. In fact, 41% say they set aside more money than they spend.¹⁰

They are also early investors. About 35% of Gen Zers have stock or stock-related investments.¹⁴ Still, the ongoing struggle to make ends meet presents challenges, as 51% report living paycheck to paycheck.¹⁵

A desire for alternative financing.

Gen Z demonstrates a greater willingness to use alternative payment options, compared to older generations.

This trend is likely influenced by the convenience factor coupled with their wariness of traditional credit cards. Their use of store credit cards, for instance, is only 27%.¹⁶

They also carry less credit card debt than previous generations, with an average balance of \$2,443, compared to \$5,852 for the average baby boomer and \$7,336 for the average Gen Xer.¹⁷

Instead, Gen Z seeks alternative forms of payment that make them feel confident they can get what they need without the burden of revolving debt.



Staying ahead of the generational shift

Understanding the defining characteristics of the Gen Z consumer is essential for creating meaningful connections, fostering engagement, and driving success.

With their unique blend of digital fluency, social consciousness, and diverse perspectives, Gen Z represents a generation that prioritizes

authenticity, value, and convenience in their consumer experiences.

By leveraging these insights, you can position your business for growth and relevance in an ever-evolving retail landscape.

About Snap Finance

Snap Finance harnesses the power of data to empower consumers of all credit types to get what they need. Launched in 2012, Snap's technology brings together more than a decade of data, machine learning, and nontraditional risk variables to create a proprietary decisioning platform that looks at each customer through a more holistic, human lens. Snap's flexible lease-to-own and loan solutions are changing the face and pace of consumer retail finance.

For more information, visit [Snap Finance](#).

Snap-branded product offerings include retail installment contracts, bank installment loans, and lease-to-own financing. Talk with your local Snap sales representative for more details on which product qualifies at your store location. For more detailed information, please visit <https://snapfinance.com/legal/financing-options>

¹ While no credit history is required, Snap obtains information from consumer reporting agencies in connection with submitted applications. Not all applicants are approved.

Sources

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