



**PARTNERSHIP**

# Gen Z shopping trends uncovered

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**BY VOGUE BUSINESS FOR PAYPAL**

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**Gen Z is currently the generation most interested in shopping, but they're careful about how they spend their money, according to an exclusive survey of 1,300 Vogue and GQ readers in the US. This cohort is engaged with their brands while searching for newness and eager to discover new trends that keep them fashion-forward.**

The survey of 18 to 65-year-old Americans sought to understand both shopping and paying behaviours in order to gain greater insight that companies need to think about when engaging today's consumers.

Gen Z's shopping behaviour is critical to understand due to this generation being the newest to join the workforce and have purchasing power. They're willing to shop across channels, have an appetite for higher-quality items and are eager to stay on top of cultural trends. At the same time, they have some frugal tendencies: 70 per cent of Gen Z said they are monitoring their spending more closely as a result of the pandemic, meaning brands will have to earn their place in Gen Z wallets.

## Engage Gen Z online and off

Gen Z is a truly omnichannel generation, shopping wherever best suits them in the moment and without preference as to the vehicle through which they find what they want. They are 56 per cent more likely to have shopped for fashion in-store over the last three months and 38 per cent more likely to have shopped online in the same timeframe.

"Covid accelerated a generation's worth of shifts to digital, and consumers won't revert back," says Daniel Heaf, VP of Nike Direct, Nike's direct-to-consumer business. Heaf also sees its appeal to audiences as more holistic. "Digital is more than just a sales channel. It is a way to build connection and community."

Online communities can also translate to purchases. TikTok's #TikTokFashionMonth challenge helped inspire Gen Z to shop. The hashtag garnered 5.5 billion views.

"In terms of bricks-and-mortar, this is where TikTok will come into its own," says Cassandra Russell, fashion brand partnerships lead at TikTok. "We know the power that creators have in bringing people to events. If there isn't a big capacity in-store, we can live stream it to a much wider audience."

Nike Live stores, digitally fuelled with in-person sports experiences that mirror online preferences of specific neighbourhoods, answer the call. "The power of digital allows us to serve personally, at scale, around the world," says Heaf. In terms of engagement, he reports that these are some of the highest performing doors in Nike's fleet, with 150-200 new destinations set to open globally.

## An appetite for higher quality

One in five of all respondents have used BNPL solutions since the start of the pandemic to buy more expensive, higher-quality products, including 22 per

cent of Gen Z respondents. Greg Lisiewski, vice-president of Pay Later Products at PayPal, reports that PayPal is seeing an increase in those wanting to buy higher-priced fashion items.

For digitally native Gen Zs who use buy-now, pay-later like a subscription model, they are levelling up investments. “Consumers are now saying, I can up my subscription, to say, \$250 a month. From cell phones to content, Gen Z has only known this model,” says Lisiewski.

Meanwhile, Gen Z’s frequency of shopping for new items is being disrupted by secondhand, a market that Gen Z respondents are 61 per cent more likely to shop, compared to other age groups. Preloved and vintage platforms, such as Depop, are arguably slowing the cycle of new purchases, with customers enjoying lots of different trends and items and then passing them on. Depop chief brand officer Peter Semple explains that “by shopping in this way, Gen Z is redefining what ‘newness’ means.”

### **Unlock the keys to conversion**

At the same time, Gen Z is trying to balance a desire for reasonable prices with an interest in high-quality products, which is true across both fashion and beauty. “At Morphe, we are seeing younger consumers demanding a stronger price and value proposition. They don’t believe that they should have to compromise quality for price, and they are right,” says Eden Palmer, VP of merchandising at LA-based beauty brand Morphe.

BNPL solutions are helping to convert sales. Since the beginning of the pandemic, 123 per cent more Gen Zs have used BNPL than before, the strongest uptake of any generation. In April 2021, one-third of Gen Z said they are likely to use BNPL solutions in the future.

For Lisiewski, cross-channel capabilities again play a role in driving purchases. “Although people miss shopping in-store, at the same time, everyone loves

the conveniences of online: online exclusives and easy returns.” After the pandemic, he says, “omnichannel will truly be omnichannel.”

### **Hopeful and healthy mindsets drive sales**

Gen Z also makes purchases to stay relevant and lift their moods.

Searches for summer dresses were up 290 per cent year over year in April at Depop. “Our community has been looking for something to wear out of the house, excited at the prospect of getting dressed up as the world starts to open up again,” says Semple.

The study shows that respondents from all age groups increased their athleisure spend by 49 per cent within the second half of the pandemic, a strong boost considering its dominance throughout lockdown. Heaf says that continued shifts to health and wellness are here to stay, reporting ongoing strong growth for Nike’s Women’s yoga business. In terms of fitness, he says that “the pandemic has put a spotlight on the changing role of sport in our lives.” Continuing, he adds, “this provides an incredible opportunity to build on these behaviours and continue to inspire.”

The product most commonly bought throughout the pandemic using BNPL has been shoes. Sneakers are the item that they report willingness to invest in the most. The study confirms that sales of shoes and sneakers saw a 59 per cent uplift from August 2020 to April 2021. Heaf reports that in Q3, the women’s Air Jordan 11 ‘Jubilee’, “one of the largest and most successful footwear launches ever, made more than \$175 million in revenue.”

“Gen Z is such a huge and influential generation, and they’ll continue to drive cultural change on so many fronts — including consumption behaviour,” says Depop’s Semple. “[They look] to their peers and social media for inspiration more than they would look at traditional ‘top down’ fashion inspirations as previous generations may have done, which is reflected in what they buy, how they buy it and from who.”

