

# Meet Generation Z



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What the next generation  
of shoppers can tell us about  
the future of ecommerce.



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# Why you need a “Plan Z”

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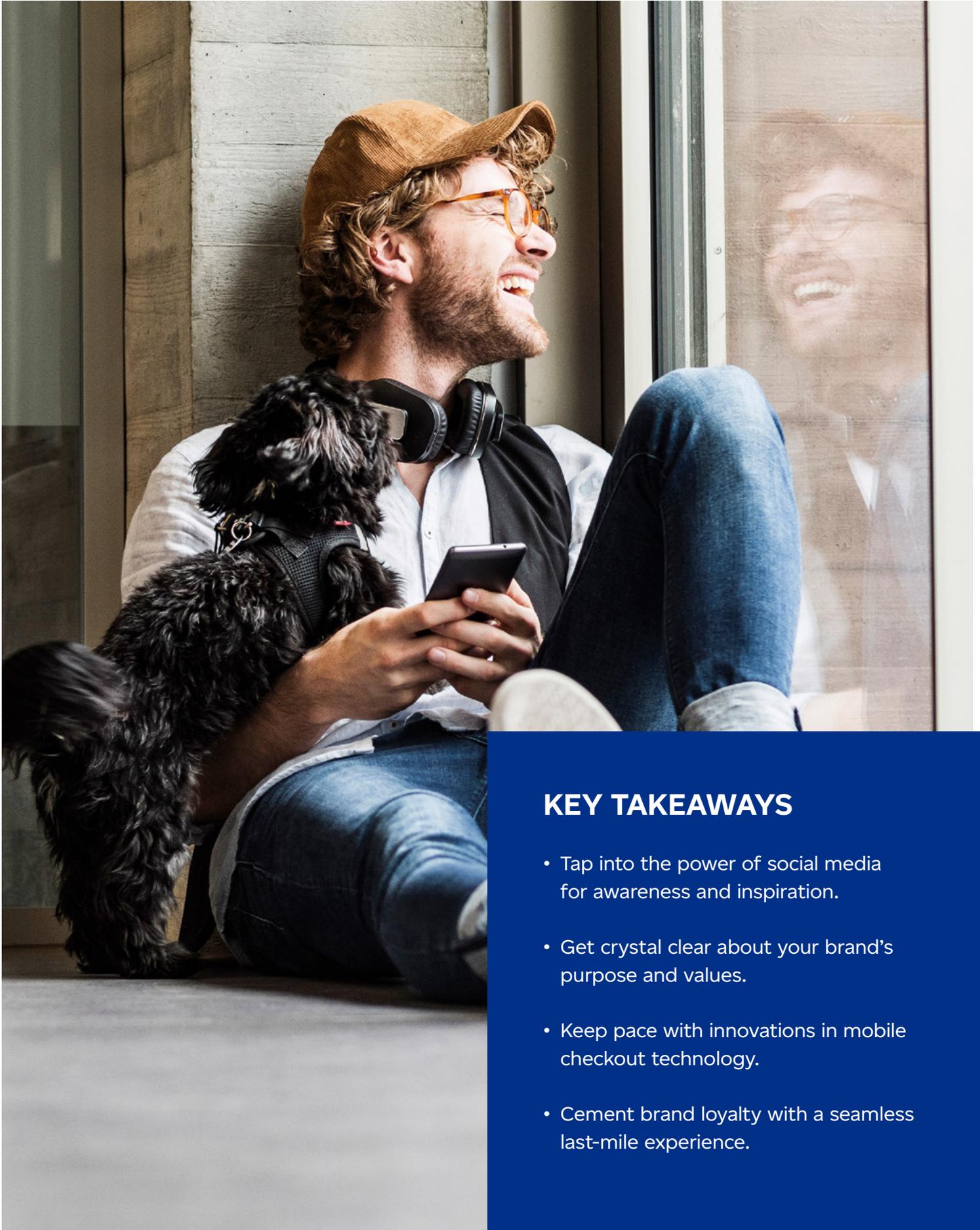
Every generation has its own defining cultural events and social influences that bring about shifts in shopping habits when they come of age – and the next generation to upend the trajectory of retail will be Generation Z.

Born between 1995 and 2008, Gen Zers are the first true digital natives. They have an intimate relationship with technology, having been raised on the internet and social media, and their hyper-connected upbringing has given them a heightened awareness of global and social issues.

Gen Zers are already overturning retailers’ expectations, accumulating spending power, and even starting to influence the shopping habits of older generations. As they reach scale over the next decade, brands will need to understand them to harness the opportunity they present and maintain engagement with future customers.

To find out what Gen Zers want – and what sets them apart from the generations that preceded them – Canada Post commissioned a survey of 5,000 Canadian shoppers. Through this research, we identified four key takeaways for appealing to this up-and-coming group of shoppers.

**About the research:** All statistics cited in this report were sourced from Phase 5’s Canadian Online Shopper Study (May 2022). This study is based on a survey, conducted in French and English, of more than 5,000 Canadian adults (aged 18 and older) who shop online. Respondents were representative of the Canadian population on key demographic variables, including age, gender and region.



## KEY TAKEAWAYS

- Tap into the power of social media for awareness and inspiration.
- Get crystal clear about your brand's purpose and values.
- Keep pace with innovations in mobile checkout technology.
- Cement brand loyalty with a seamless last-mile experience.

# Online shopping through the generations



## GENERATION Z

Born: 1995-2008

Gen Zers are just coming of age, yet they're already compelling brands to rethink their ecommerce strategies. These socially conscious digital natives turn to social media for shopping inspiration and seek out brands that protect the environment, carry sustainable products and treat their employees well. Gen Zers are the most engaged online shoppers in the cannabis, alcoholic beverage and jewelry categories.

## MILLENNIALS

Born: 1981-1994

Millennials demand value for their money. They take the time to research their options before buying by consulting customer ratings and reviews, FAQs, coupon and deal sites, and recommendations from friends and family. As they establish themselves in life, Millennials are investing in their families and homes, making the most online purchases of baby products, toys, home décor, and pet food and supplies.

## GENERATION X

Born: 1966-1980

Gen Xers often get overshadowed by other generations, but brands would be well advised not to overlook them. They boast the highest incomes, place the highest volume of online orders, and are the most engaged online buyers of books, clothing, electronics, footwear, office supplies and sporting goods. Gen Xers are less swayed than other generations by the social and environmental commitments expressed by brands.

## BOOMERS

Born: 1946-1965

Boomers are firmly established in their shopping habits. They prefer to shop in store, are loyal to the brands they love, and don't plan to change their shopping habits in the foreseeable future. These community-minded shoppers try to support local and Canadian businesses, and they place a high premium on customer service. Boomers are the most engaged online shoppers in the home and garden category.

## GENERATION Z

Born: 1995-2008

## MILLENNIALS

Born: 1981-1994

## GENERATION X

Born: 1966-1980

## BOOMERS

Born: 1946-1965

### ONLINE BUYING POWER

Income: \$79,942

Online orders/year:  
21.5

Income: \$107,008

Online orders/year:  
26.4

Income: \$124,604

Online orders/year:  
33.6

Income: \$93,965

Online orders/year:  
23.2

### SHARE OF RETAIL PURCHASES MADE BY CHANNEL

In store: 52%

Online: 48%

In store: 50%

Online: 50%

In store: 60%

Online: 40%

In store: 71%

Online: 29%

### SHARE OF ONLINE PURCHASES MADE BY DEVICE

Laptop/desktop: 45%

Smartphone: 48%

Tablet: 7%

Laptop/desktop: 47%

Smartphone: 50%

Tablet: 3%

Laptop/desktop: 51%

Smartphone: 40%

Tablet: 8%

Laptop/desktop: 59%

Smartphone: 18%

Tablet: 23%

### HOW MUCH THEY PLAN TO PURCHASE ONLINE THIS YEAR

Buy more: 34%

Buy same: 54%

Buy less: 12%

Buy more: 30%

Buy same: 57%

Buy less: 13%

Buy more: 23%

Buy same: 62%

Buy less: 15%

Buy more: 17%

Buy same: 65%

Buy less: 18%



# Tap into the power of social media

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Gen Zers were raised on the internet and social media, with Google and Siri on standby to answer all their questions since childhood. This immediate and easy access to information has had a major impact on how they engage with brands and make shopping decisions.

Gen Zers are dependent on two-way conversations – not just with their peers, but with brands, too. Social media plays an important role in enabling these interactions, and Gen Zers are turning to it for shopping inspiration more than any other generation.



# Turning to social media for shopping inspiration

To learn about new brands and products, Gen Zers often, almost always or always consult:

## Social media sites



## Blogs



## Social media influencers



## Online video



## PREPARING YOUR PLAN Z:

- Make social media a fixture of your Gen Z marketing strategy.
- Give priority to TikTok, Snapchat and Instagram, the sites Canadian Gen Zers engage with most.
- Be personable and allow for two-way interaction and dialogue.

**Reference:** "How often do you refer to the following sources to learn about specific brands, retailers, or products?"



# Get crystal clear about your purpose and values

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Growing up in an age of social media has made Gen Zers hyper-aware of what's going on seemingly everywhere at every moment. This has played a key role in shaping their global consciousness and given rise to a keen embrace of social and environmental values.

Gen Zers believe in their ability to impact change through their everyday actions, including how they shop. They want to invest in brands that they believe will have a positive impact – not just in their own lives, but in society as a whole.

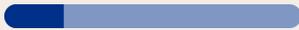


# Aligning with values before they buy

Before buying from a retailer, Gen Zers consider the retailer's values, including whether it:

## Protects the environment

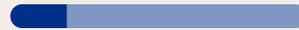
**20% Gen Z**



- 15% Millennials
- 12% Gen X
- 11% Boomers

## Treats its employees well

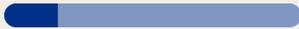
**19% Gen Z**



- 14% Millennials
- 12% Gen X
- 11% Boomers

## Carries sustainably and/or ethically sourced products

**18% Gen Z**



- 12% Millennials
- 8% Gen X
- 8% Boomers

## Is owned/operated by BIPOC individuals

**12% Gen Z**



- 9% Millennials
- 6% Gen X
- 4% Boomers

## Is owned/operated by women

**10% Gen Z**



- 8% Millennials
- 5% Gen X
- 4% Boomers



**Reference:** "What are the TOP 5 factors that would cause you to choose one retailer over another? Select up to 5 responses."



## PREPARING YOUR PLAN Z:

- Ensure you're very clear about your brand purpose and values when engaging Gen Zers.
- Be authentic and genuine; Gen Zers can see through insincere brand messages.
- Live your purpose and values. Gen Zers will notice if your words and actions don't align.



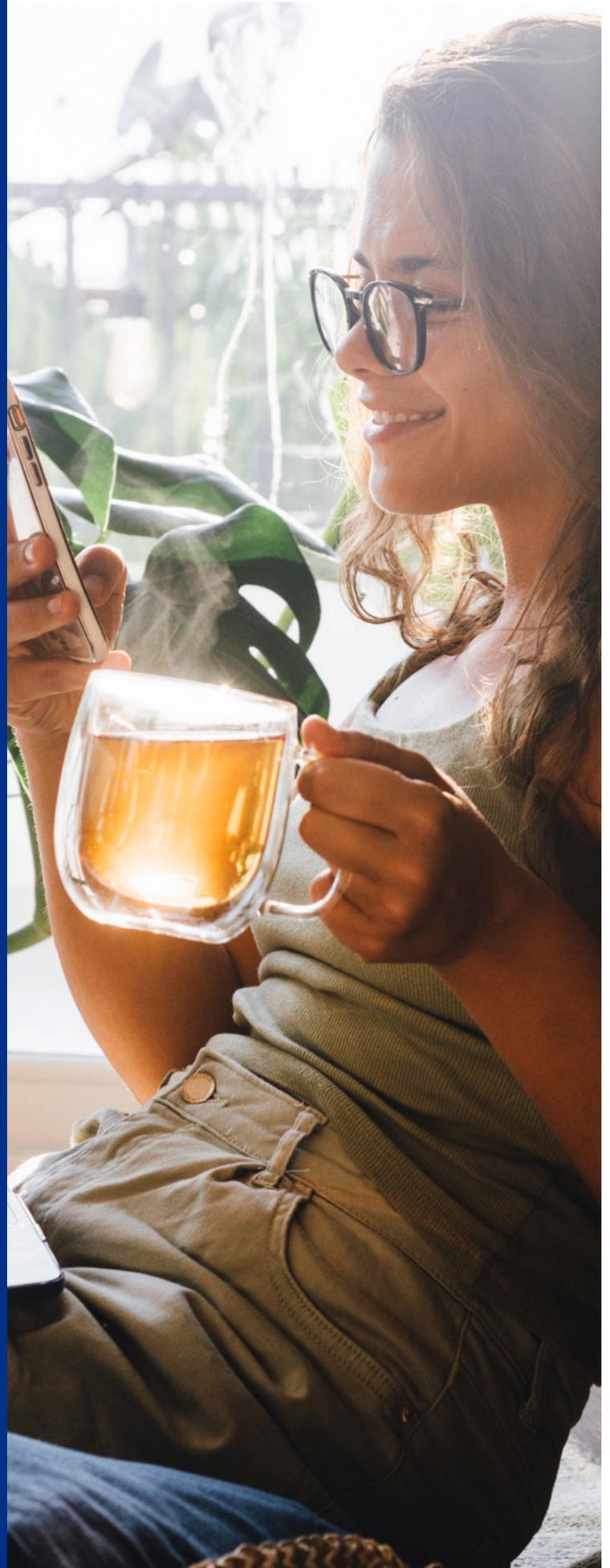
# Keep pace with checkout innovations

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Having grown up in an always-on, mobile world, Gen Zers prefer to shop online using their mobile devices. In fact, they're leading the shift away from laptop and desktop dependency in ecommerce.

As mobile-first shoppers, Gen Zers have also been a driving force in the evolution of online payment technologies and processes – and they reward brands that keep up with the latest checkout innovations.

No other generation is more influenced by emerging checkout features. That also means no other generation has such a razor-thin tolerance for poor checkout experiences, as nearly two in five (37%) Gen Zers have avoided repeat purchases from retailers that did not allow them to use their preferred payment method.



# Putting away that laptop and desktop

Proportion of online purchases made by device:

## Laptop or desktop



**Gen Z**  
**45%**

Millennials	47%
Gen X	51%
Boomers	59%

## Smartphone



**Gen Z**  
**48%**

Millennials	50%
Gen X	40%
Boomers	18%

## Tablet



**Gen Z**  
**7%**

Millennials	3%
Gen X	8%
Boomers	23%

Reference: "What device did you use to make this purchase?"

# Demanding flexible, seamless checkout experiences

When choosing among retailers, Gen Zers look for flexible checkout options, including:

## Multiple payment options (credit card, PayPal, Apple Pay, etc.)



## A guest checkout option (no login required)



## Instant checkout for returning customers



## A buy now, pay later (BNPL) option



Reference: "If offered, how influential would the following features/benefits be when choosing a retailer?"



## PREPARING YOUR PLAN Z:

- Embrace the mobile wallet by offering payment options like PayPal, Apple Pay, Google Pay and Shop Pay<sup>1</sup>.
- Provide express checkout options, like an instant checkout process for existing customers and a guest checkout process for new customers who aren't ready to hand over their personal information.
- Consider testing a BNPL service. BNPL services enable consumers to purchase on credit without a credit card, and they can inspire larger purchases.

<sup>1</sup> Paypal, Apple Pay, Google Pay and Shop Pay are registered trademarks of their respective owners.



# Cement loyalty with a seamless last-mile experience

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Over the last decade, Millennials have largely shaped the direction of the last-mile market through their demands for fast, flexible and convenient delivery. In turn, they've influenced brands to elevate ecommerce fulfillment from a

back-end process to an essential part of their value proposition.

The next wave of last-mile influencers will be Gen Zers – and there are signs that they'll be even more demanding on this front.



# Demanding speed and flexibility

When choosing among retailers, Gen Zers look for the following delivery features:

## Fast (same- or next-day) delivery

### Gen Z



Millennials	57%
Gen X	50%
Boomers	44%

## Choice of shipping speeds

### Gen Z



Millennials	51%
Gen X	50%
Boomers	47%

## Flexible delivery options

### Gen Z



Millennials	49%
Gen X	45%
Boomers	47%

## Buy online, pick up in store (BOPIS) option

### Gen Z



Millennials	37%
Gen X	27%
Boomers	25%

Reference: "If offered, how influential would the following features/benefits be when choosing a retailer?"



# Refusing to accept a poor last-mile experience

Gen Zers have avoided repeat purchases from retailers for the following reasons:

**Customs duties and/or taxes were too high or unexpected**

**58% Gen Z**



57% Millennials  
53% Gen X  
44% Boomers

**Estimated delivery date was not provided**

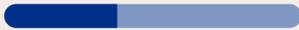
**38% Gen Z**



37% Millennials  
32% Gen X  
24% Boomers

**Unable to track order**

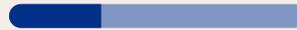
**38% Gen Z**



36% Millennials  
31% Gen X  
24% Boomers

**Lack of flexible delivery or pickup options**

**31% Gen Z**



30% Millennials  
26% Gen X  
18% Boomers

**Retailer did a poor job managing expectations around delivery timing**

**38% Gen Z**



34% Millennials  
28% Gen X  
25% Boomers

**Delivery company does not make it convenient to receive packages**

**31% Gen Z**



29% Millennials  
22% Gen X  
15% Boomers

**Delivery company not identified at the time of purchase**

**31% Gen Z**



26% Millennials  
20% Gen X  
18% Boomers

**Retailer did not use customer's preferred delivery company**

**25% Gen Z**



22% Millennials  
16% Gen X  
10% Boomers

**Retailer used excessive or unnecessary packaging when shipping**

**29% Gen Z**



27% Millennials  
21% Gen X  
18% Boomers

**Delivery company does not ensure package is secure when customer not home**

**33% Gen Z**



26% Millennials  
22% Gen X  
17% Boomers

**Reference:** "Have you avoided future online purchases with a particular retailer or brand for any of the following reasons?"





## PREPARING YOUR PLAN Z:

- Be clear and transparent about what to expect. Tell shoppers which delivery company you're using and when the order will arrive, and make sure they have easy access to tracking information.
- Encourage customers to take control of their delivery experience. Many carriers allow consumers to indicate their preferred safe drop location, among other delivery options. Ensure your customers have the information they need to take advantage of these features.
- Allow your brand personality to shine through. That can involve using branded ecommerce packaging, slipping a thank-you note into the box, or any other creative touch that's unique to your brand.



# Covered from A to Generation Z

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Gen Zers are just starting to come of age, and they're already reimagining the shopping experience with a deeper emphasis on connectivity and purpose. Brands should take note now because the bottom-up shifts in shopping behaviour that arise as older generations follow their lead will soon ripple through the entire industry.

Brands can prepare for these shifts by developing a solid Plan Z.

A Canada Post representative can provide you with insights on optimizing every stage of the online shopping experience for the next generation of shoppers. Reach out to your rep or [\*\*request a consultation\*\*](#) today. And to learn more about what matters most to Canadians across generations when they shop online, explore our [\*\*ecommerce hub\*\*](#).