



Maximizing Online Conversion for Gen Z Shoppers

Payment trends and shopping behaviors
in young consumers

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Generation birth year ranges



*Source: GlobalData

- Gen Z is the population born from 2000 to 2010
- These consumers represent a collective \$360 billion in potential buying power
- 86% of the global population owns a smartphone

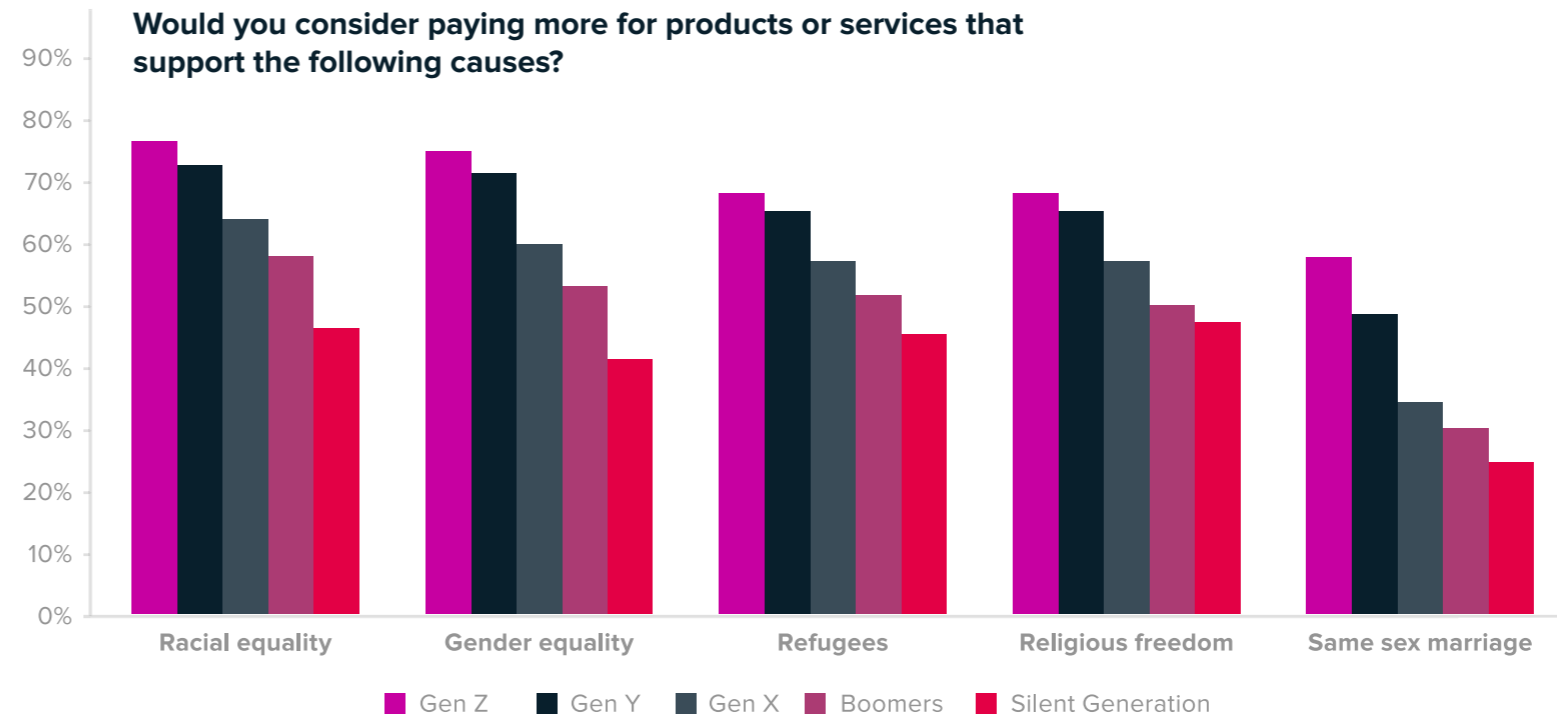
Generation Z, the youngest cohort of online shoppers, has strong ethical values that impact their shopping behavior. They champion and spend more on brands that actively mirror their own beliefs, seeking to ensure sustainability and eco-friendliness of their consumer choices. This group is incredibly tech-savvy and security conscious yet is concerned about a huge spike in cost of living.

The oldest members of Gen Z are now entering exploding retail markets like fashion, home improvement, beauty, and baby and child.

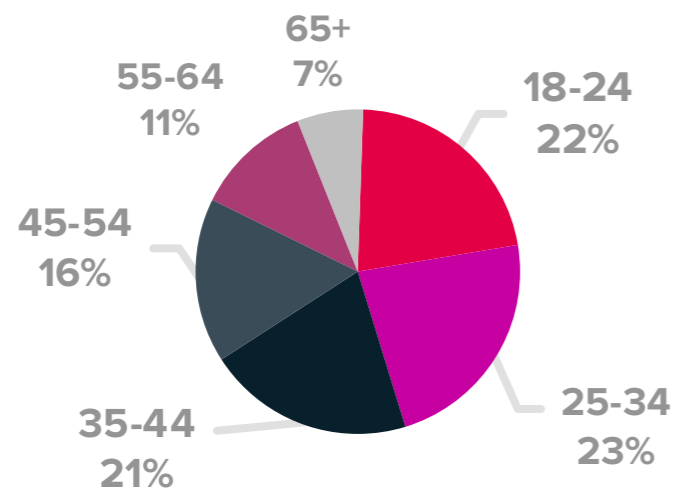
Here are the top tips for maximizing conversion with Gen Z:

Trend #1: Prioritizing ethics despite a rising cost of living

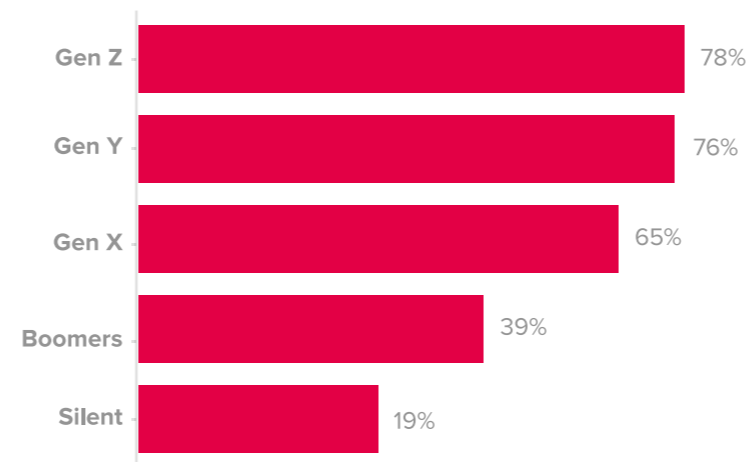
Gen Z consumers are most likely to support socially conscious brands – strongly shaped by the forces of globalization and digital technology. Gen Z is more inclined than any other generation to pay more for brands that advocate for social issues such as environmental protection and racial, gender, or marriage equality. At the same time, Gen Z is the consumer group most concerned about their finances. As new homeowners or parents, this group will seek to balance their inherent preference for sustainability and environmental protection with rising lifestyle costs.



Global BNPL (Buy now, pay later) usage by age



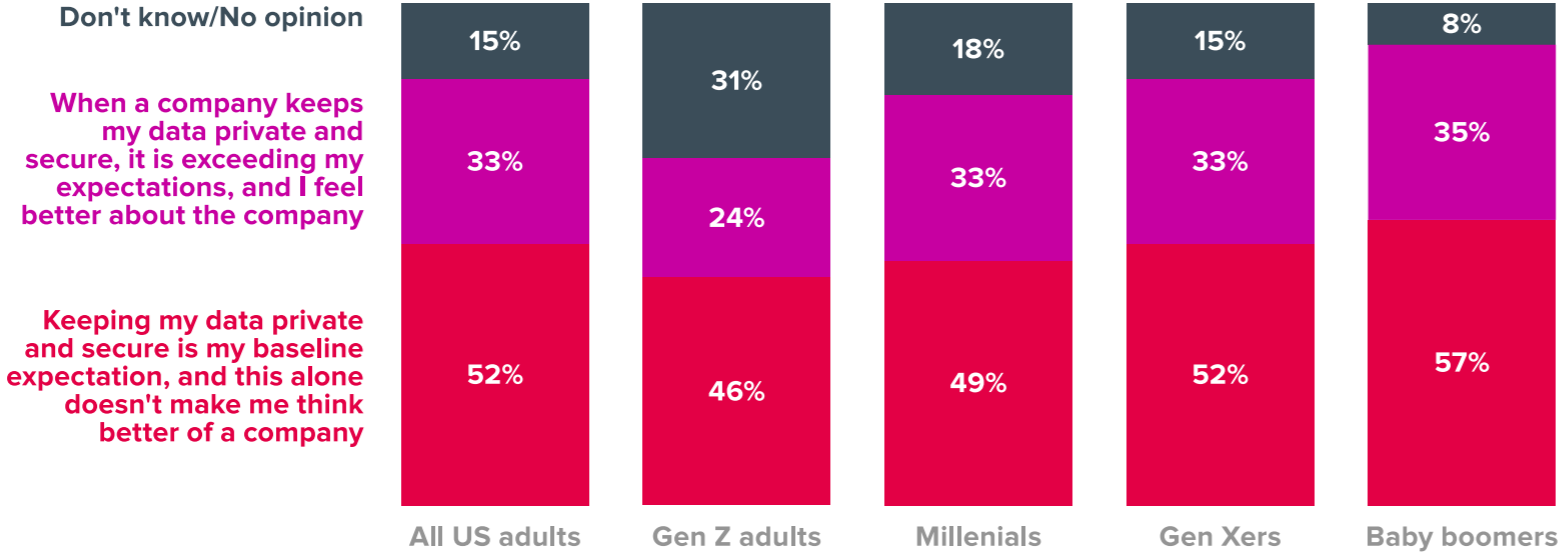
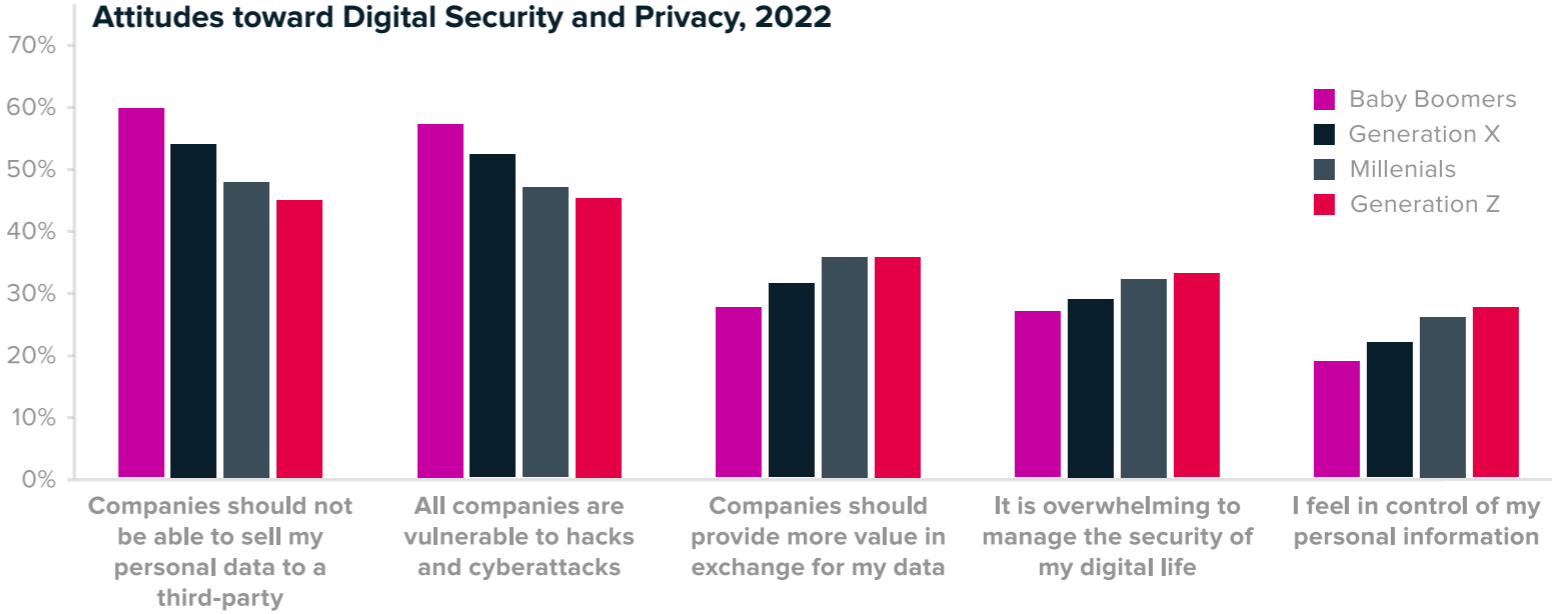
Customers who are extremely / quite concerned about their personal financial situation



Tip #1:
Offer buy now, pay later options like Klarna or AfterPay at your checkout. Gen Z shoppers are unlikely to compromise on their strong ethical and environmental beliefs, even with rising costs of living. This cohort would prefer to spend more on their preferred sustainable, ethical brands and spread the cost to make their outgoings more manageable.

Trend #2: Trust in data-secure subscriptions

Gen Z shoppers are digital natives, far less wary of emerging digital tools than other age groups yet are incredibly data security-savvy. Many are willing to tie their bank accounts to trusted digital wallets, merchant sites or online bill payment platforms to pay recurring bills. Creating automatic subscriptions for regular purchases like beauty products and baby goods delivers convenience and peace of mind, but these consumers want to trust their personal information is secure. Now, growing public awareness of data privacy issues puts pressure on brands and merchants to enact stricter practices.



Tip #2:

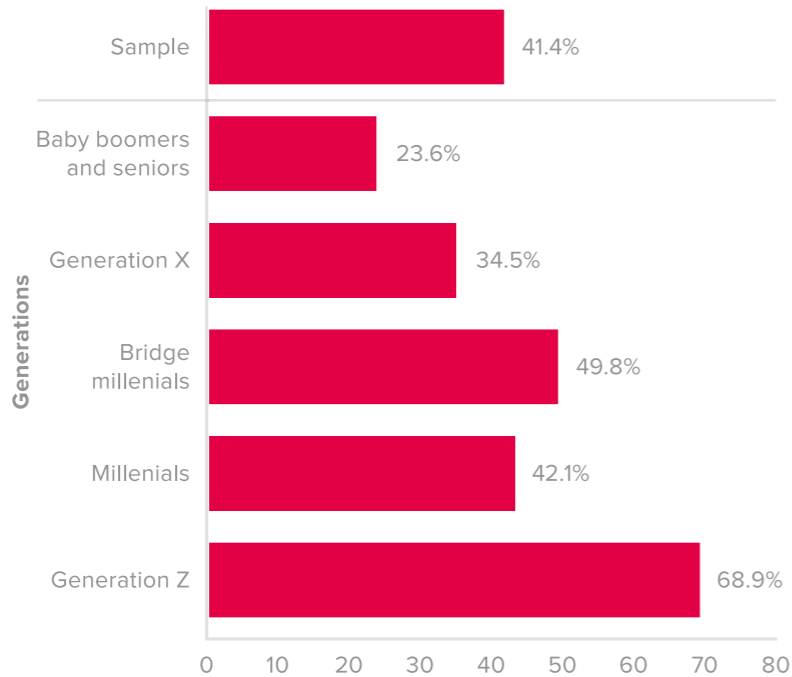
Put tokenization behind your subscription offering. Tokenization is a data security method that replaces credit card information with a token, a random value that retains the card's essential information without compromising security. This is especially helpful for recurring or subscription billing purposes as it allows access to billing data without needing to store credit card information. Each token is linked to a single customer profile and can be used to complete a purchase transaction. As a merchant, you can safely process transactions while reducing the risk of having sensitive data fall into the wrong hands.

Trend #3: Mobile payments come first

Gen Z has grown up during key innovations and fintech launches around the world. They are the primary demographic to use mobile-first alternative payment methods, seeing online, mobile and social shopping as a way of life. They are prolific shoppers who take for granted their ability to make unplanned, small-ticket purchase anytime, anywhere.

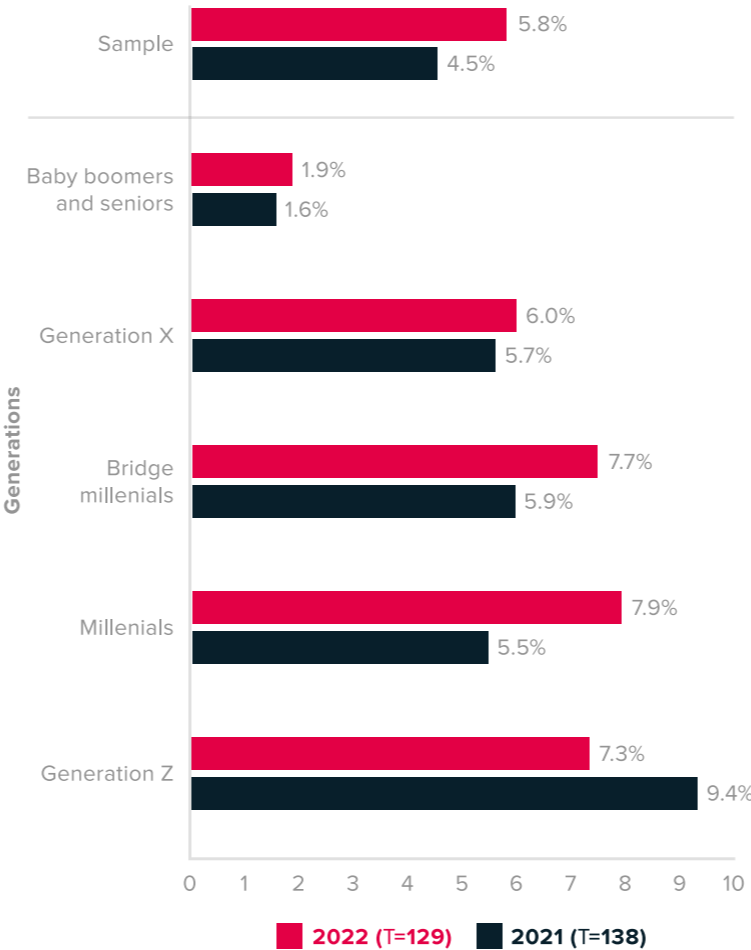
Customer likelihood to switch merchants due to mobile wallet availability

Share of respondents who decided to make purchases at specific merchants because they accepted select mobile wallets



Use of mobile wallets, by demographics

Consumers who used mobile wallets in the last purchase they made in the 24 hours prior to being surveyed



Tip #3:

Diversify your alternative payment methods to include wallets. Mobile wallet market transaction revenue was valued at \$54.01 trillion in 2023 and is expected to grow at a CAGR of more than 10.6% by 2026, bringing the value to \$72.95 trillion.¹ Mobile wallets like Apple Pay and Google Pay not only offer the convenience of on-the-go mobile purchasing, but also act as a gateway to a broader range of in-app financial services. They also allow users to make online and in-store payments, peer-to-peer (P2P) transfers, or bill payments. Without offering these payment methods to Gen Z parents, you risk experiencing cart abandonment and reduced sales.

What's next?

With rising living costs, ingrained behaviors and very little time, Gen Z are a demanding consumer group to satisfy and retain.

At Nuvei, we pride ourselves on being a partner to our retail merchants. We act as a true payment consultant that helps customers match the right payment offerings, security and conversion tools to their customers' evolving needs. What's more, human support is offered over the phone whenever you need it.

Not only is our payment platform agnostic, so you don't need to leave your existing provider, it's virtually code-free to implement through one integration. Our customers can tap into our extensive selection of local payment methods, global acquiring capabilities and industry knowledge to build and optimize the best global or local payment mix for their specific market.

Nuvei can be your innovation-led payment partner that offers the latest technologies to support your insurance business as it expands.



20 years' experience



Globally connected



Highest acceptance rates



Frictionless pay-ins and payouts

*Sources: Thematic Research: Tech, Media, & Telecom Predictions 2022, Global Data, Thematic Research: Generation Z, Statista, Forbes, YPulse, Gen Z Planet

ABOUT NUVEI

Nuvei (Nasdaq: NVEI) (TSX: NVEI) is the Canadian fintech company accelerating the business of clients around the world. Nuvei's modular, flexible and scalable technology allows leading companies to accept next-gen payments, offer all payout options and benefit from card issuing, banking, risk and fraud management services. Connecting businesses to their customers in more than 200 markets, with local acquiring in 45+ markets, 150 currencies and more than 600 alternative payment methods, Nuvei provides the technology and insights for customers and partners to succeed locally and globally with one integration.

For more information, visit <https://nuvei.com/>

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The logo for Nuvei, featuring the word "nuvei" in a lowercase, bold, sans-serif font. The letter "i" has a red dot above it.