Jungle Scout

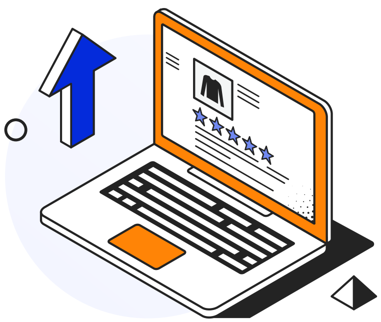
Generational Trends in Consumer Behavior

Consumer Trends Report | Q1 2023

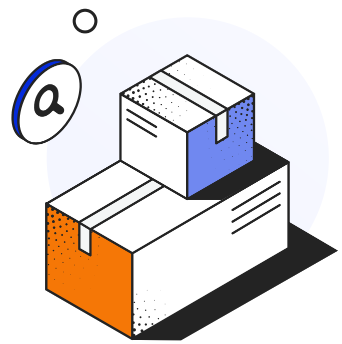
Introduction & key takeaways

Consumer behaviors and preferences continue to evolve alongside increasingly rapid advancements in technology and ecommerce. For businesses looking to better understand their customers, staying up to date on the latest trends is more important than ever. One significant factor influencing those trends is the age and generational cohort of shoppers. In 2023, the preferences and habits of America's youngest adults are painting a unique picture of current and future market trends.

This quarterly study of 1,000 U.S. consumers explores spending and ecommerce trends, with a special focus on generational differences among Gen Z, Millennial, Gen X, and Baby Boomer shoppers as the buying power of each group continues to shift.



1. **America's youngest adult shoppers are savvy — and setting a new standard for ecommerce.** 32% of Generation Z consumers shop online once a day or more, compared to just 7% of Baby Boomers who do the same.



2. **Where do American consumers start their search for products online?** The majority still pick Amazon, while Gen X favors search engines. Among Gen Z, 43% start on TikTok — a higher number than those who start on Google!

3. **Approaches to saving money vary wildly among generations as inflation continues to impact spending.** Baby Boomers are 78% more likely than Gen Z to buy items on sale, while Gen Z buys used products more than any other age group.

Throughout the report, percentages for Gen Z, Millennial, Gen X and Boomer generations represent the portion of respondents from each age group that affirmatively selected the related survey options. Out of the total respondents (1,000), 212 are Gen Z, 333 are Millennials, 198 are Gen X, and 238 are Boomers

Generation profiles

Boomers
Ages 59-77
Birth years 1955-1964

Gen X
Ages 43-58
Birth years 1965-1980

Millennials
Ages 27-42
Birth years 1981-1996

Gen Z*
Ages 18-26
Birth years 2004-2012

1955 | 1964 | 1980 | 1996 | 2012

Household income

	Boomers	Gen X	Millennials	Gen Z*
Under $35k	**36%**	**46%**	**41%**	**51%**
Between $35k and $75k	**37%**	**31%**	**33%**	**31%**
$75k or more	**28%**	**23%**	**26%**	**18%**

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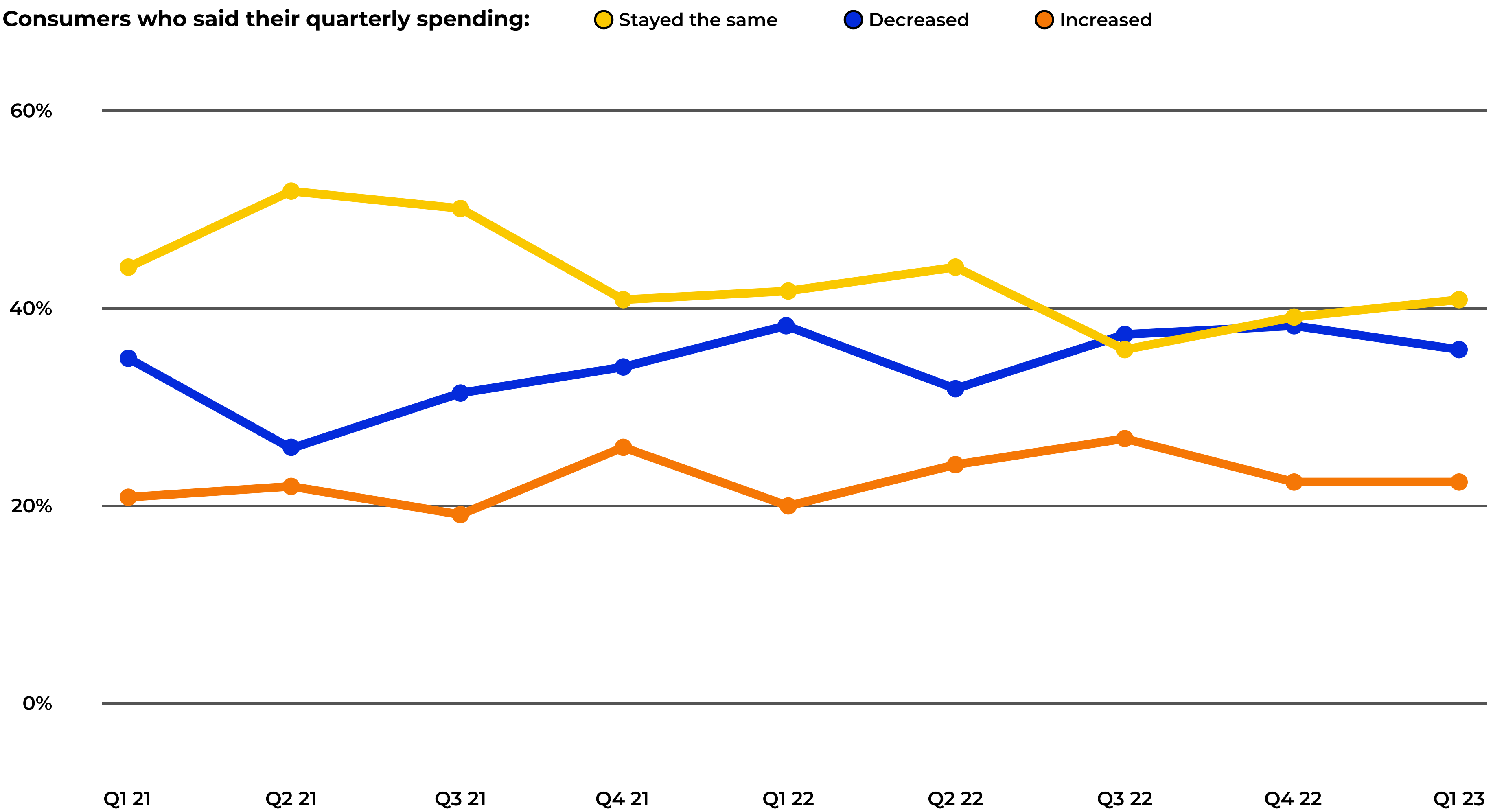
Chapter 1

Consumer Pulse Report: Trending Spending

Consumer spending shifts over time as shoppers respond to broader trends and navigate changes to their work, lifestyles, and families. Beginning with a historical view of these shifts — tracked by Jungle Scout on a quarterly basis since 2020 — this chapter provides an overview of how much consumers are spending, what they're buying, and where they're shopping.

Quarterly changes in overall spending

Consumers who said their quarterly spending:

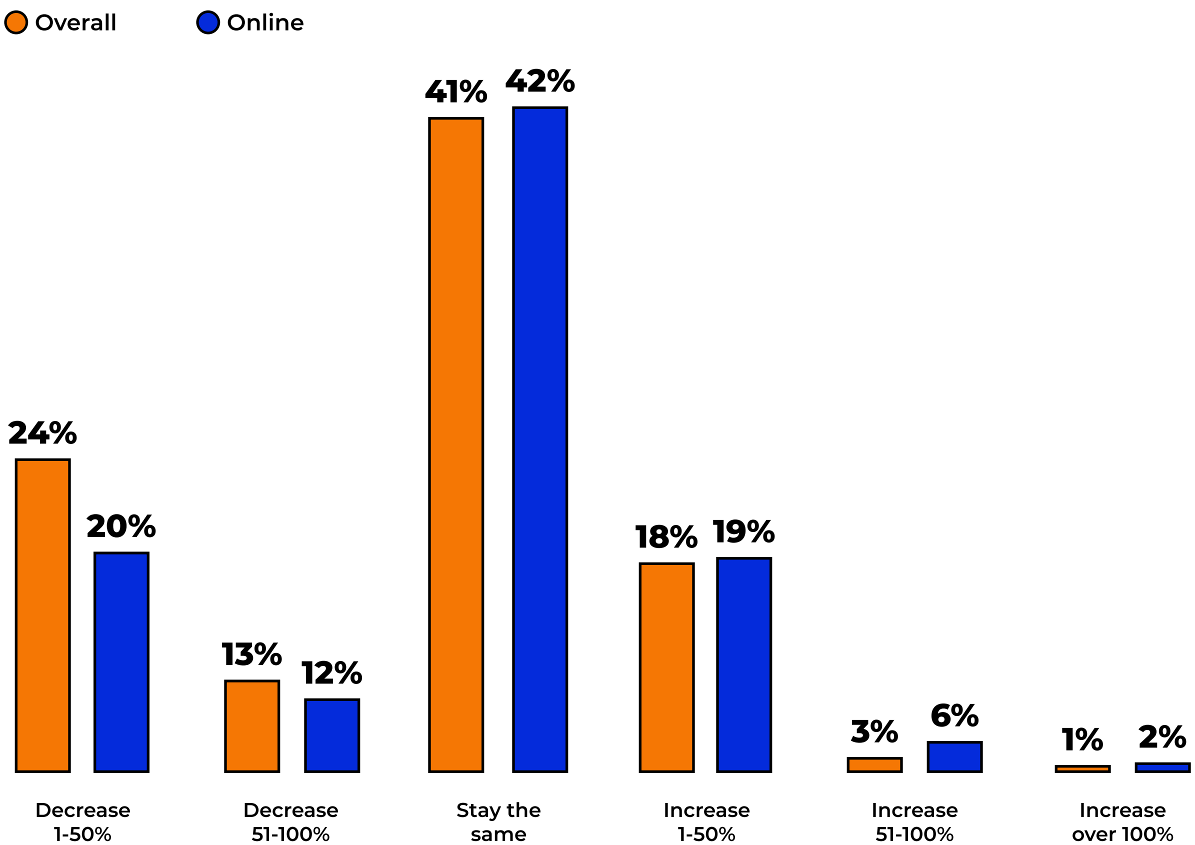


Overall and online spending in Q1

The data in this section reflects how consumers described their overall and online spending in the first quarter of 2023 compared to the fourth quarter of 2022.

See consumer spending data for the fourth quarter of 2022 ***here****.*

How is consumer spending changing in Q1?



INSIGHTS

While the majority of consumers expect their Q1 overall (77%) and online (73%) spending to decrease or stay the same compared to Q4, both those percentages are slightly lower than they were in the same quarter a year prior.

36%

of consumers said their **overall** Q1 spending would decrease from Q4, compared to 38% in the first quarter of 2022

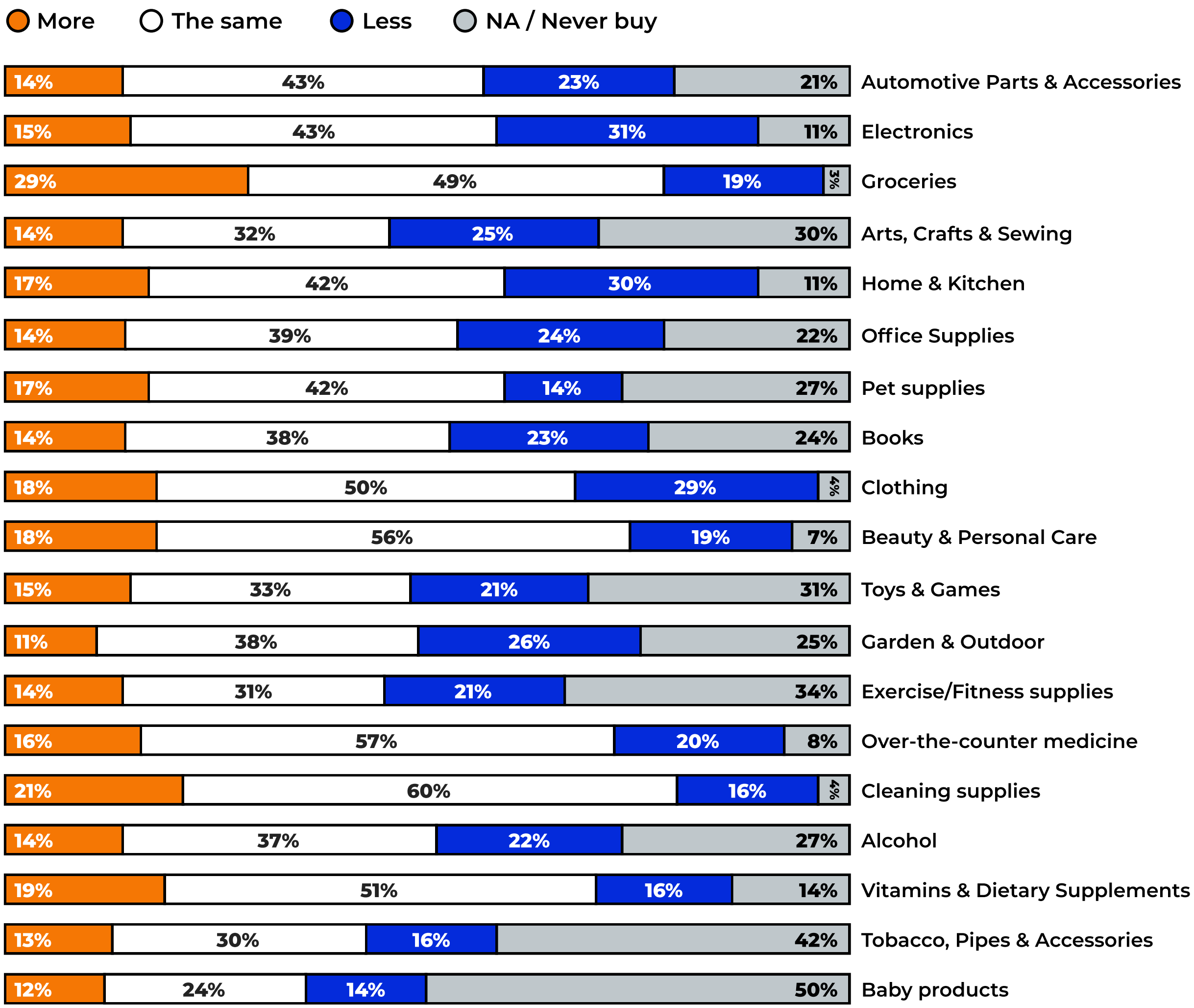
32%

of consumers said their **online** Q1 spending would decrease from Q4, compared to 34% in the first quarter of 2022

Popular products: What consumers are buying

Generally, consumers are buying the same amount of products across all categories in Q1 compared to Q4 2022.

Top product categories | Q1 2023



INSIGHTS

Consumers are buying **more** ...

- **Groceries**
- **Cleaning Supplies**
- **Vitamins & Dietary Supplements**

And **less** ...

- **Home & Kitchen**
- **Electronics**
- **Clothing**

Where people shop: The most popular stores & online retail sites

Which of the biggest retail stores are consumers shopping from (in-store or online) in Q1?

In store

Walmart	61%
Target	29%
Walgreens	20%
The Home Depot	17%
Lowe's	16%
Amazon Go or Amazon Go Grocery	13%
Kroger	12%
Sam's Club	11%
Macy's	7%
Specialty, independent, local or boutique	7%
Albertsons	5%

Online

Amazon	68%
Walmart.com	40%
eBay.com	17%
Target.com	13%
Apple.com	10%
Etsy.com	8%
BestBuy.com	8%
Macys.com	7%
Kohls.com	6%
HomeDepot.com	6%
Lowes.com	6%
Instacart	5%
Wayfair	4%
Google Shopping	4%
Walgreens.com	4%
Costco.com	4%
SamsClub.com	3%
Facebook shops	3%
Kroger.com	3%
Specialty, independent, local or boutique	3%
Wish	3%
Instagram Shop	2%
Albertsons	1%
Houzz	1%
None of the above	4%

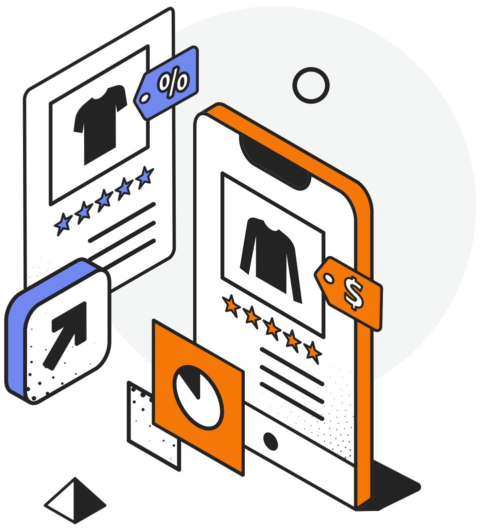
Respondents could select multiple options.

Chapter 2

Q1 Insights: Optimism Amid Lingering Uncertainty

Despite some uncertainty about the future primarily driven by a still higher-than-normal inflation rate, our quarterly survey results reveal some optimism at the beginning of 2023. Consumer spending levels (as outlined in Chapter 1) appear to be somewhat higher compared to survey data from the previous quarter and year. And while inflation is still high, January data (the most recent available) shows it slowing moderately in comparison to record highs in 2022[1]. Still, sustained slow economic growth in the U.S., China, and Europe — as well as other risk factors — support the general expectation that a recession will begin at some point this year. Inflation and other economic conditions impact different generations of consumers in varying ways, and our Q1 survey results illustrate as much.

[1] U.S. Bureau of Labor Statistics, Consumer Price Index - January 2023

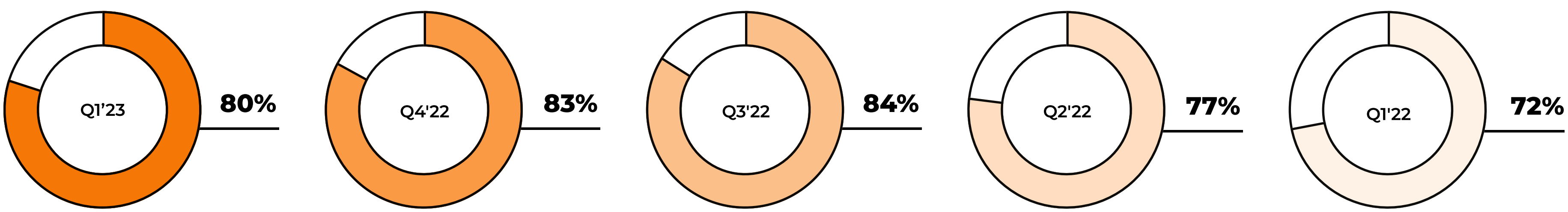


Inflation impacts

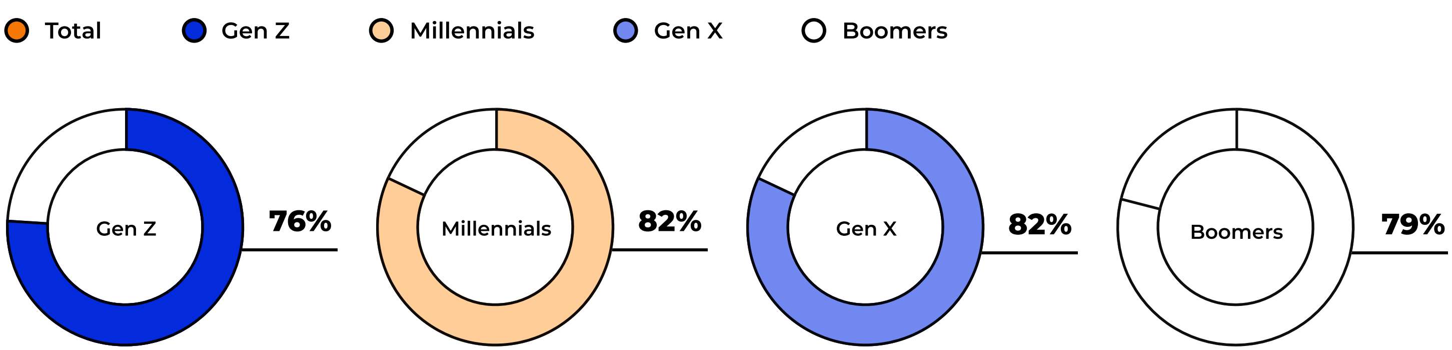
Rising inflation was the number one issue impacting the financial outlook of respondents of all ages, and the majority of all respondents across all generations (nearly 70%) believe the U.S. is already in a recession or will enter one this year.

At 6.4% in January, the U.S. inflation rate has tempered compared to its 2022 peak of 7.7% at the end of October, but it remains a burden for many Americans. In Q1, 80% of our survey respondents said their spending has been impacted, down from 83% in Q4 but still notably higher than the year-ago quarter.

Rising inflation has affected spending

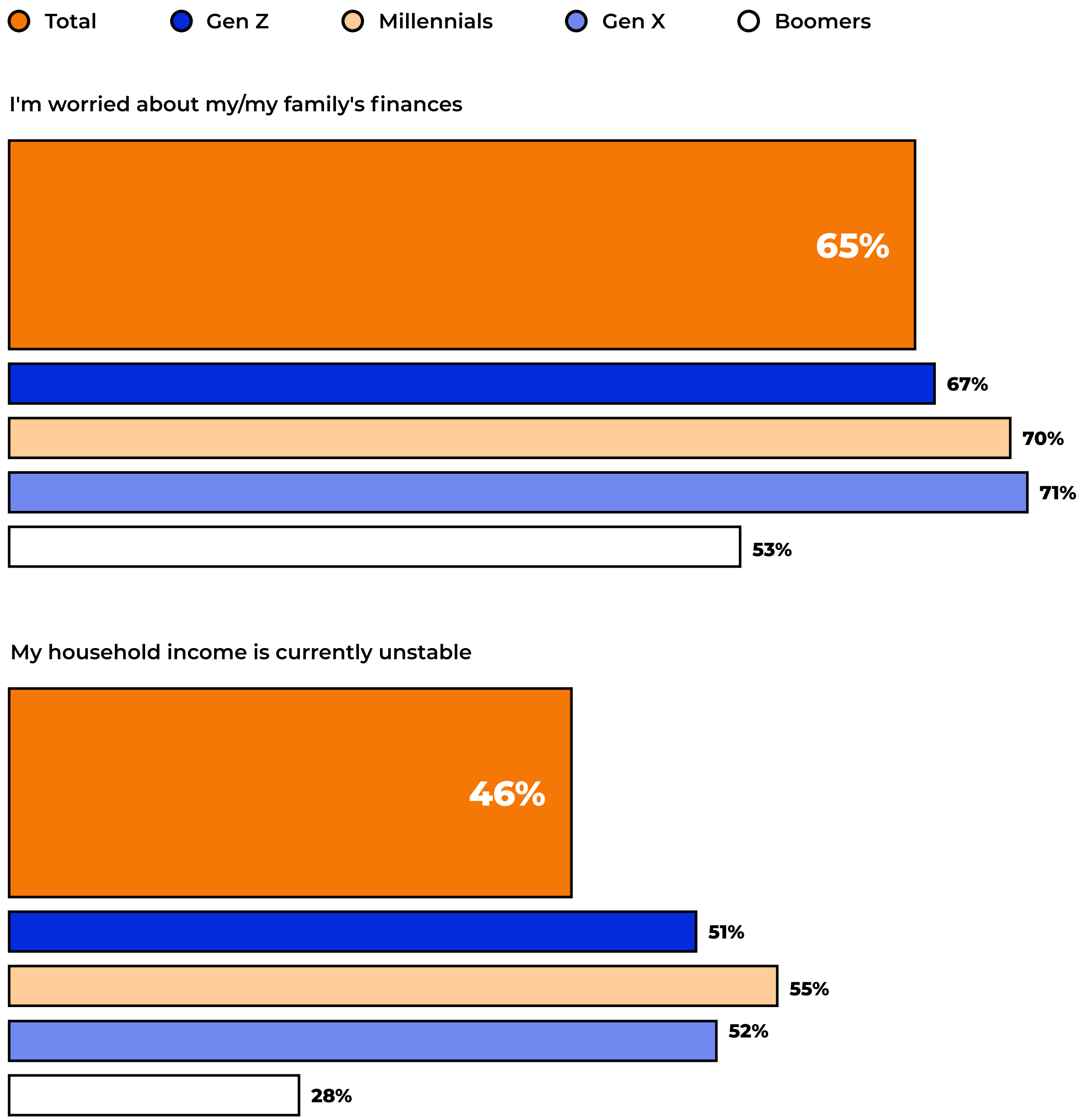


Q1 2023 breakdown by generation



Gen Z, Millennial, Gen X and Boomer percentages represent the portion of respondents from each generation that said rising inflation has affected their spending in Q1.

The impacts of rising inflation

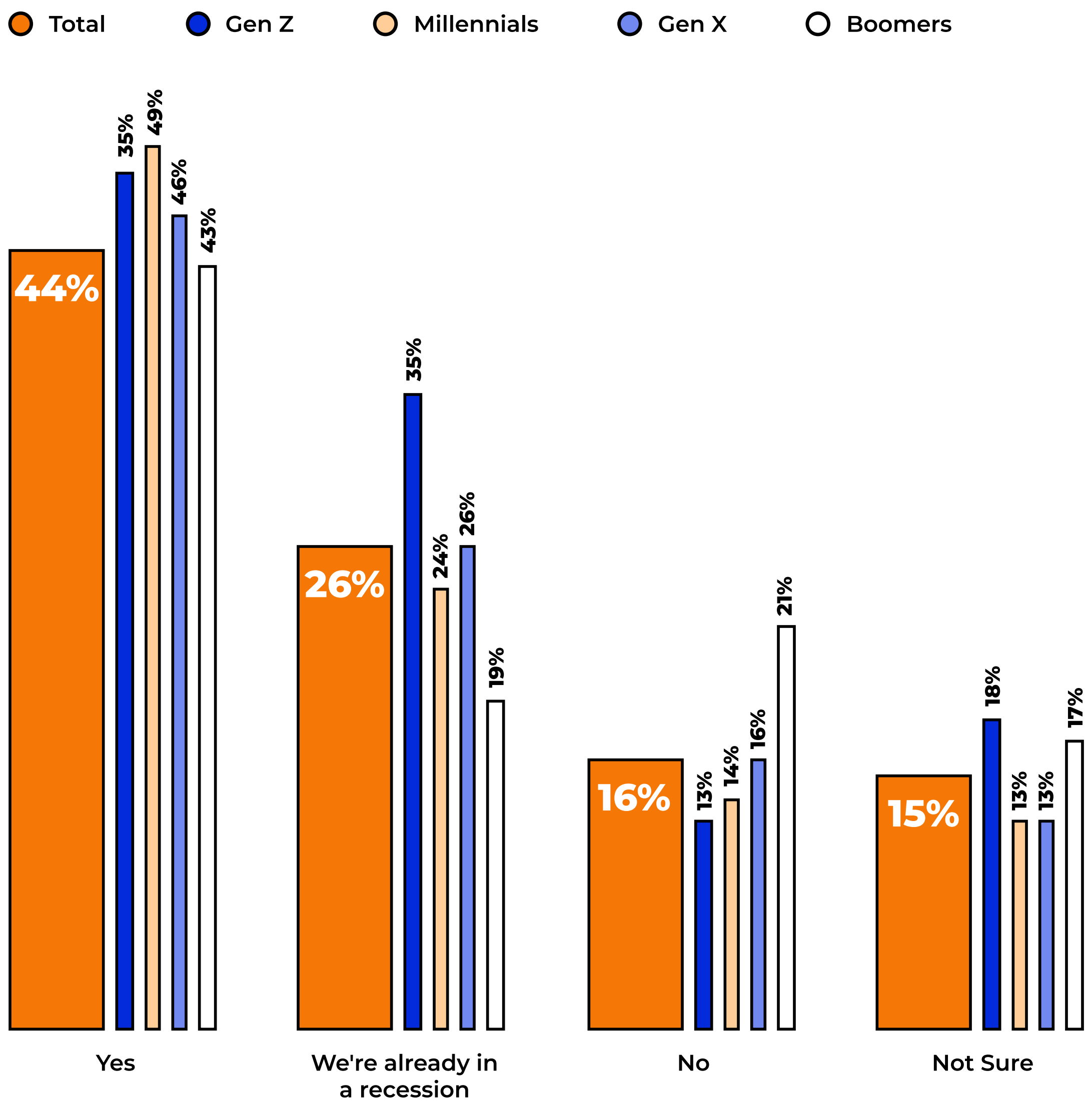


INSIGHTS

Rising inflation has impacted spending for Millennial and Gen X consumers more than Gen Z and Baby Boomers; these two middle generations are also more likely to be worried about their finances.

How is consumer spending changing in Q1?

Do you think the U.S. economy is headed into a recession?



INSIGHTS

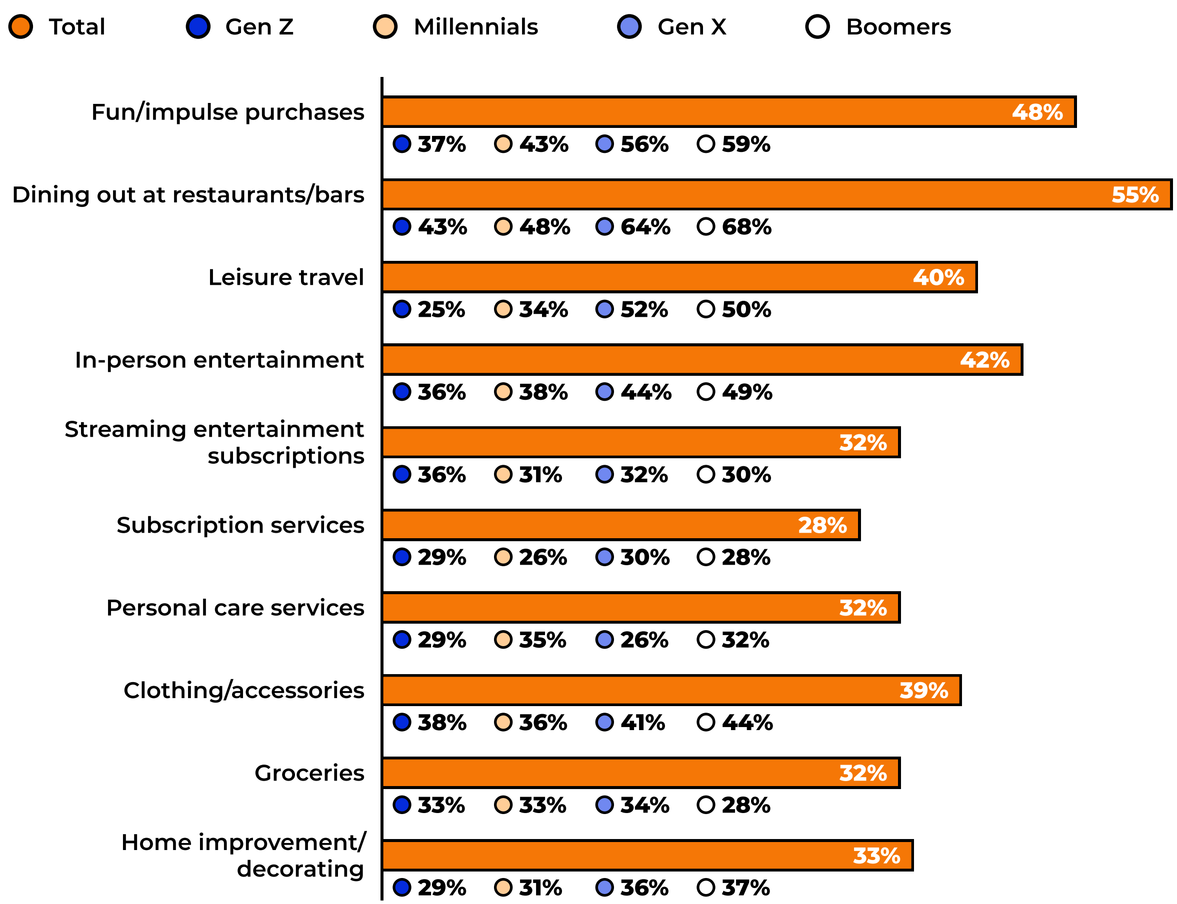
73%

of Millennials — a higher percentage than any other generation — believe the U.S. economy will soon enter a recession or is already in one.

Spending & saving

Analysis of the ways each generation spends money — and how and where they try to save — reveals a great deal of insight about their values and priorities. Here, our Q1 survey results generally support the idea that Gen Z consumers are more environmentally conscious (they're more likely than any other group to buy used items) and value experiences over material goods.

Top categories where consumers are cutting back in Q1*

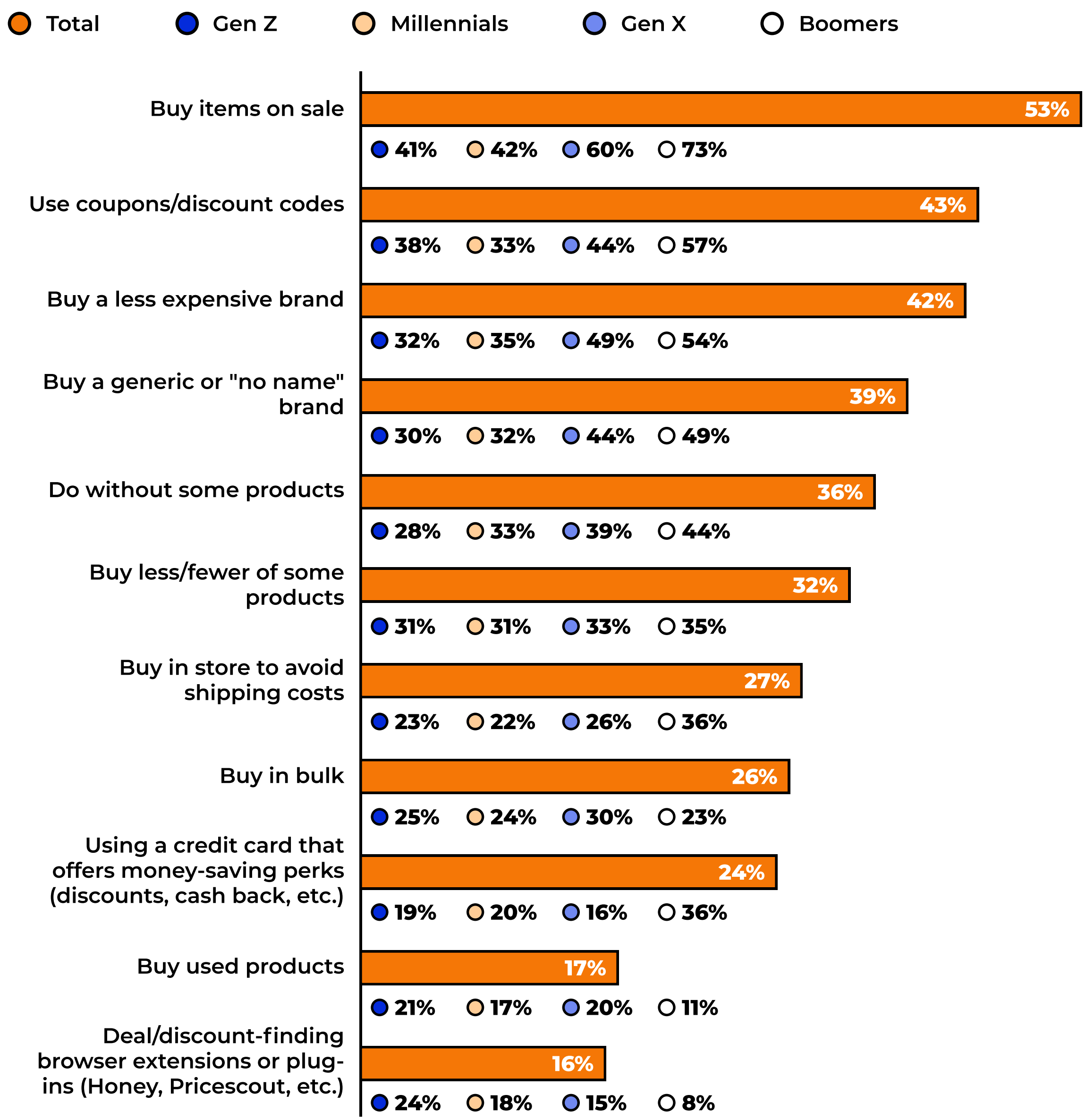


**Totals do not equal 100% as respondents could select more than one option.*

INSIGHTS

Despite having the lowest household incomes amid a high-inflation economic period, Gen Z consumers are the least likely generation group to cut back on experience-driven spending such as travel and in-person entertainment.

Top money-saving strategies*



Totals do not equal 100% as respondents could select more than one option.

INSIGHTS

Buying items on sale is the most popular money-saving strategy among all four generations, but no one does it more than Boomers — 73% of respondents cite this as a top tactic for cutting back on spending.

Chapter 3

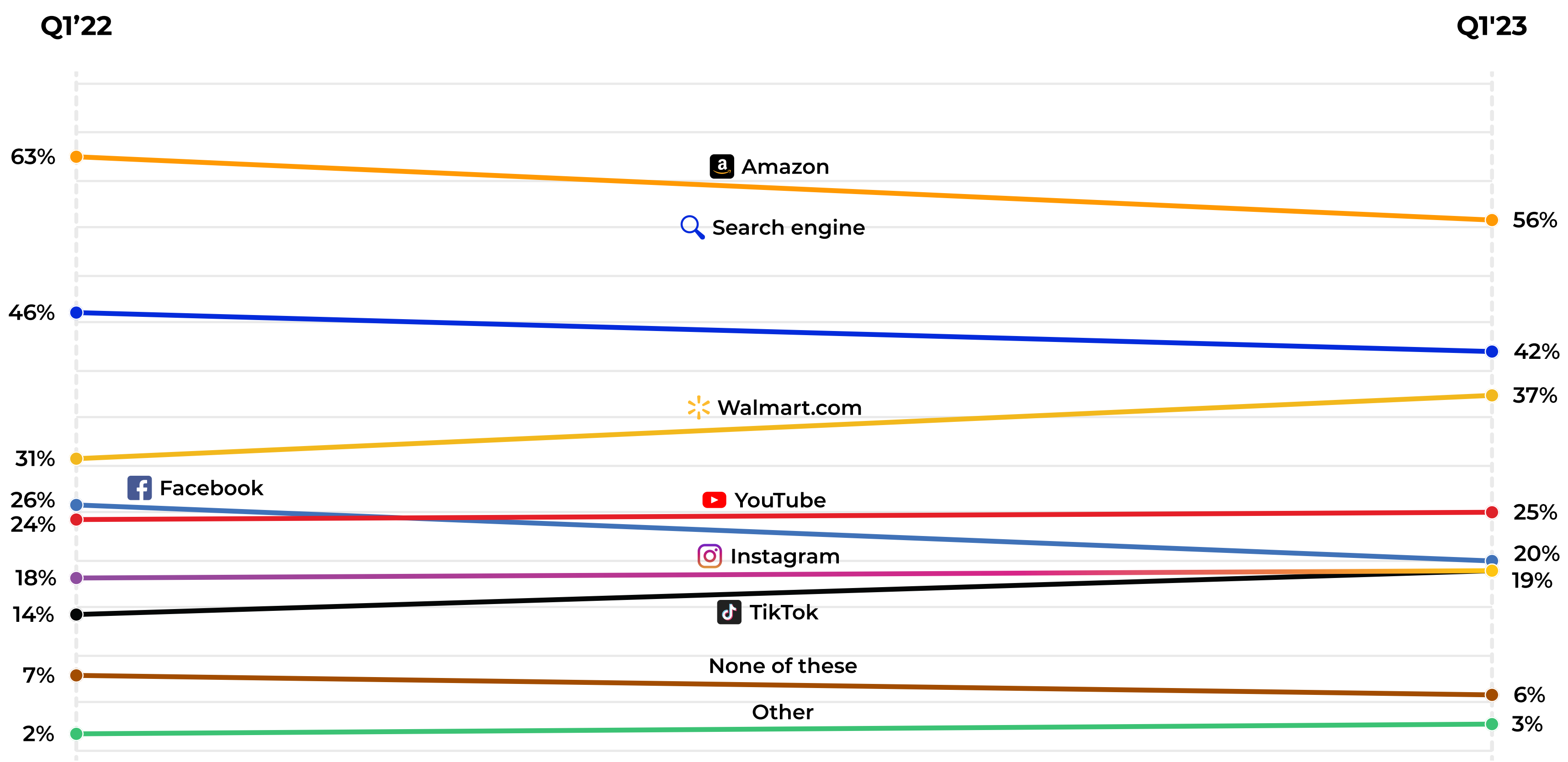
Ecommerce Report

Consumers consistently turn to Amazon above of all other ecommerce sites for their online purchases, though social media channels — for Gen Z and Millennials especially — are increasingly popular options for online shopping. As more Americans shift their shopping habits to online retailers and businesses accelerate their ecommerce operations in response, this chapter offers an overview of the evolving influences and preferences shaping consumer behaviors at the start of 2023.

Go-to sites when searching for products

Across every generation except Gen X, consumers continue to start their online searches for products on Amazon. However, as social media platforms have ramped up and rolled out their own ecommerce capabilities in recent years, consumers are more comfortable than ever making purchases from sites such as Facebook, Instagram, and YouTube. Compared to a year ago, the percentage of consumers who start their online search for products on TikTok rose 36% while the share of those starting on Amazon declined. Walmart.com searches also saw a considerable increase in popularity over the past year.

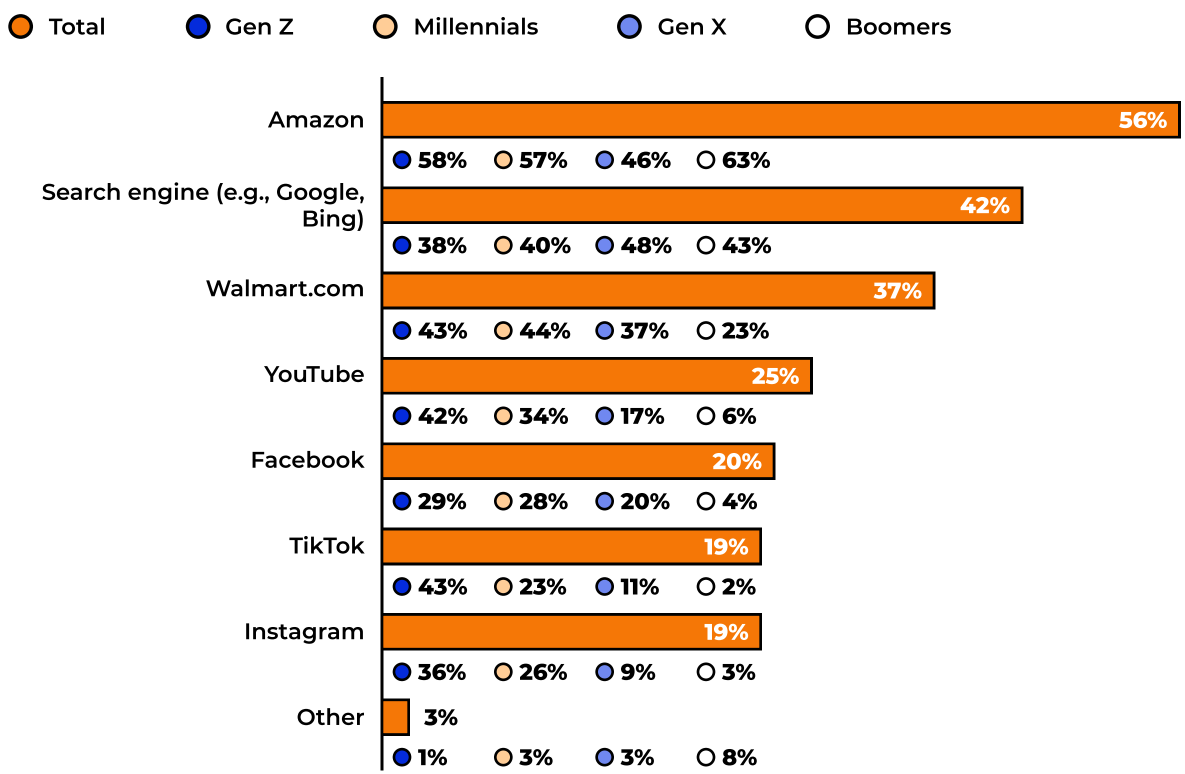
When consumers shop for a product online, where do they start their search?*



How different generations start their online product search

Viewing this same data by generation illustrates notable preference differences. Gen X is the only generation more likely to use search engines before Amazon when searching for products online, while Boomers have the strongest affinity for Amazon. Millennials and Gen Z are more diverse across these popular platforms but are more likely to begin their searches on social media than Gen X or Boomer consumers.

For many Gen Z consumers who turn to the internet to shop more often than other generations, these platforms:



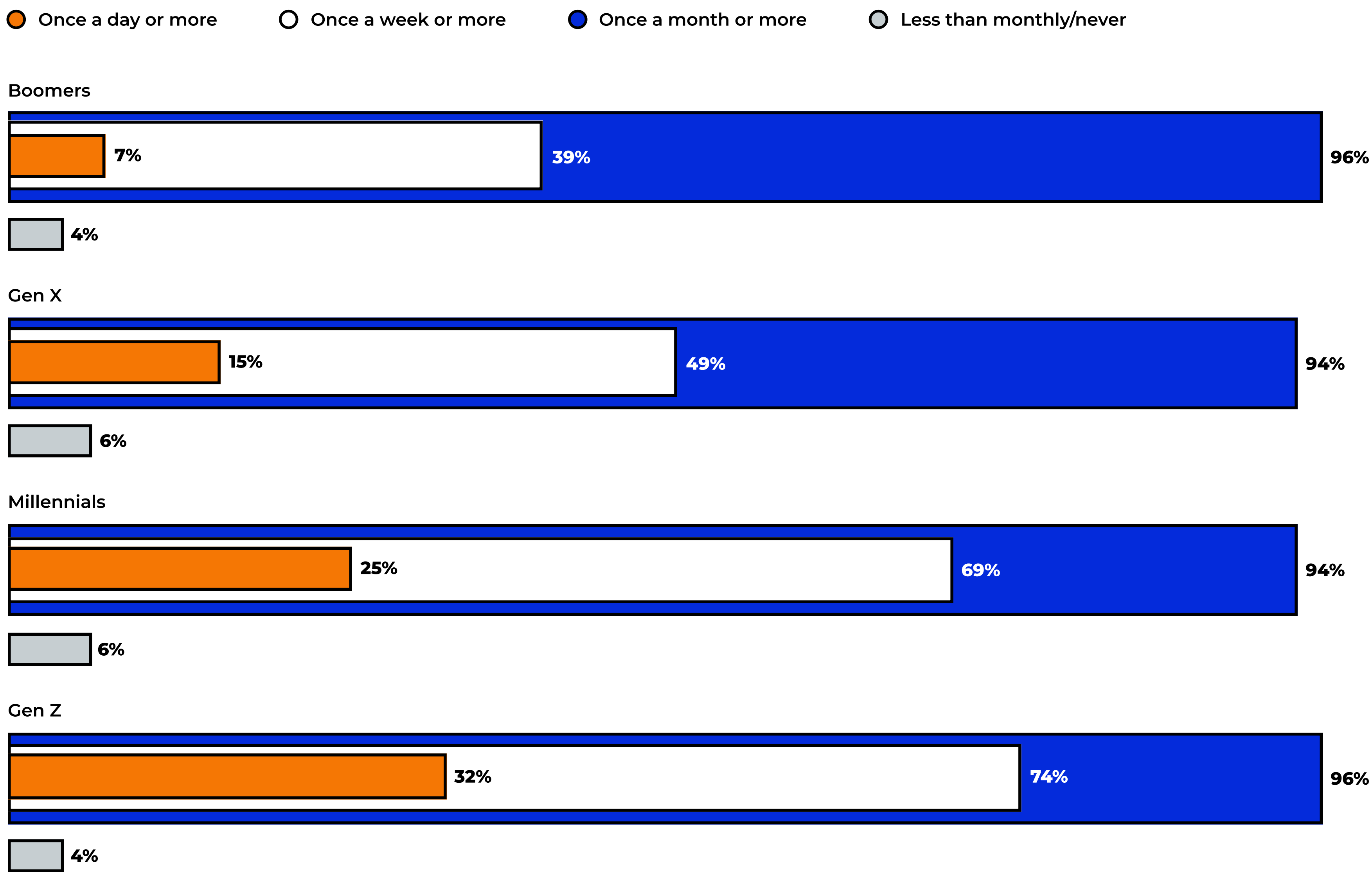
**Totals do not equal 100% as respondents could select more than one option.*

INSIGHTS

There are few areas where the generational divide between Gen Z and Boomer consumers is wider than social media use. More specifically, Gen Z's affinity for TikTok has spilled over into their online shopping habits: 43% open the app first when searching for a product, a percentage point higher than search engines and level with those who turn to Walmart.com.

For more on the rise of "social shopping" and TikTok's rapid rise in popularity, read our Q3 2022 Consumer Trends Report

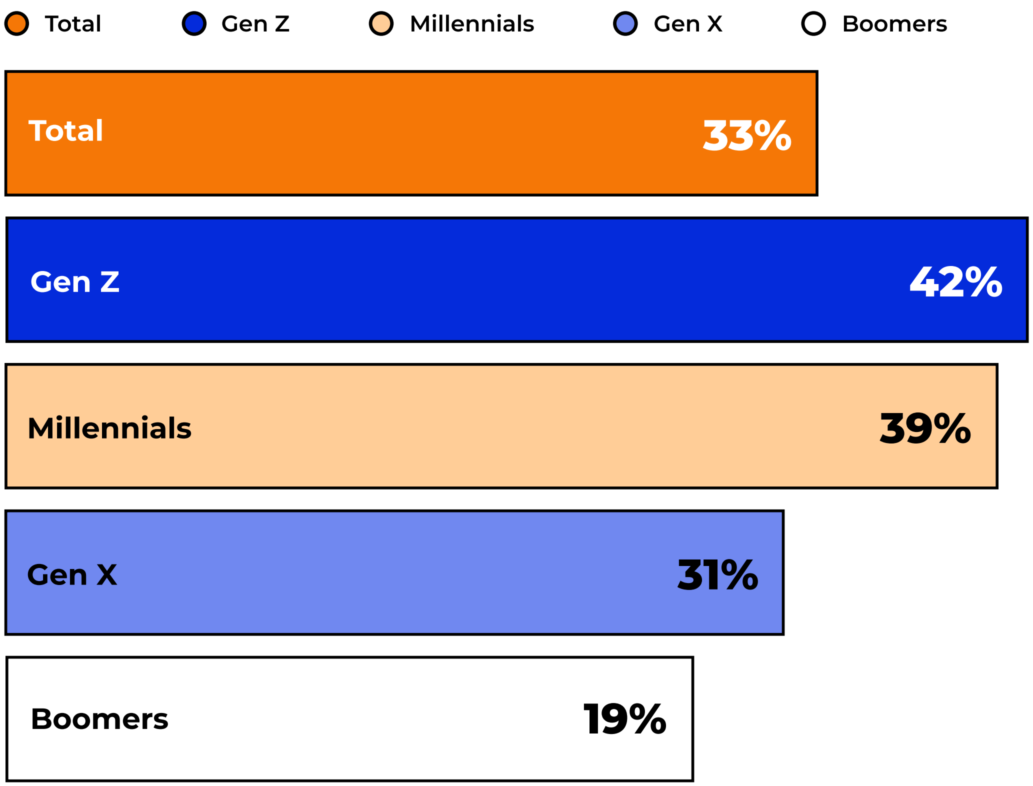
Online shopping frequency



What's old is new: Thrifting goes digital

Resale ecommerce platforms have grown in popularity in recent years, particularly in the area of fashion, with companies such as Poshmark, Depop, ThredUp and The RealReal offering consumers new ways to buy and sell used — oftentimes designer — clothing. For many Gen Z consumers, who turn to the internet to shop more often than other generations, these platforms are seen as a more sustainable anecdote to "fast-fashion" retailers, and our survey results show them as the most likely of any age group to buy secondhand items online.

Consumers that purchased something pre-owned online in the past year

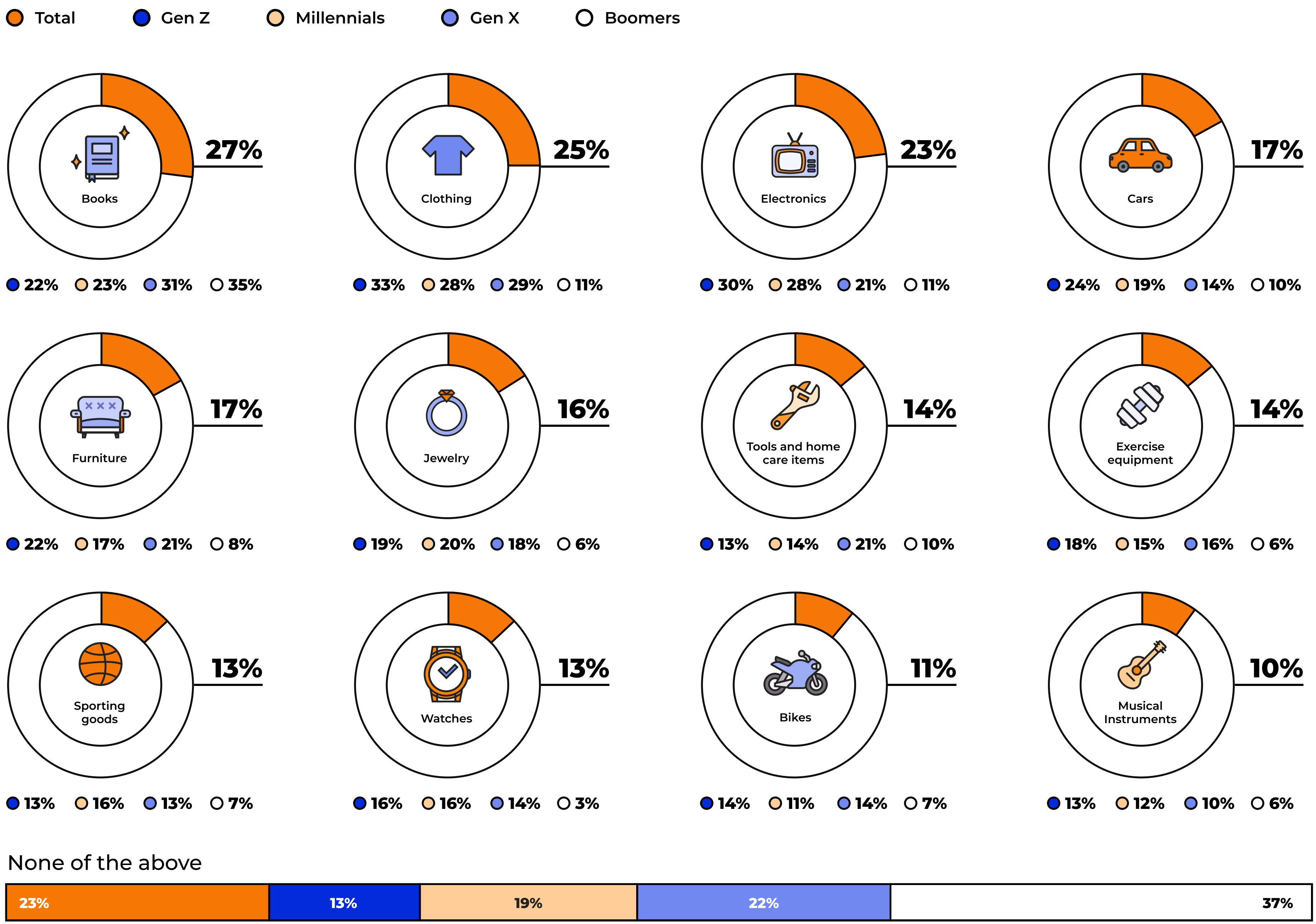


Gen Z, Millennial, Gen X and Boomer percentages represent the portion of respondents from each generation comprising the 33% of consumers who have purchased something pre-owned online in the past year.

INSIGHTS

Gen Z and Gen X consumers are the most likely to buy used products as a way to save money.

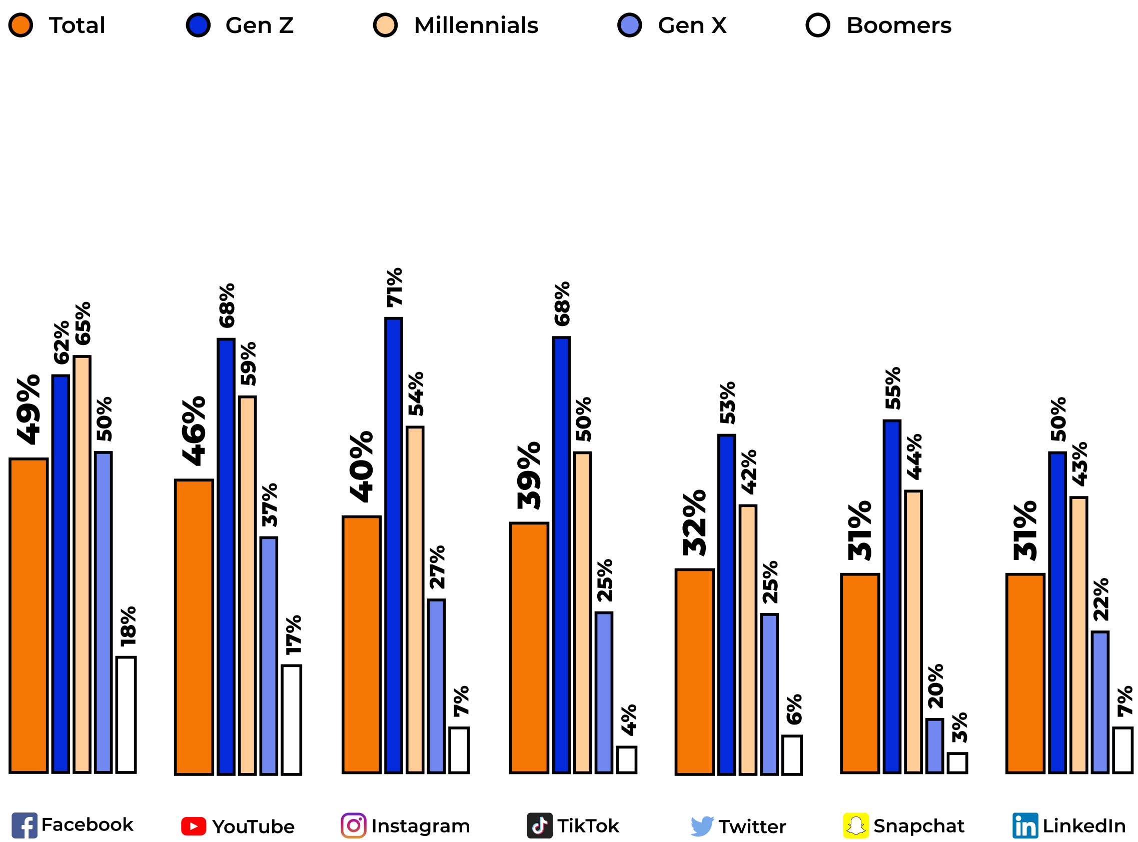
Types of products consumers are buying pre-owned online



Social media spotlight

Gen Z and Millennials remain far more likely to shop from social media, followed by Gen X, with Boomers the least likely age group to do so.

Percentage of consumers likely to purchase a product directly from social media



INSIGHTS

While Facebook remains the most popular social media site for making purchases overall, Instagram wins among Gen Z consumers, followed closely by TikTok and YouTube.

Chapter 4

About the Report

Methodology

Jungle Scout conducted an anonymous survey between Feb. 8 and Feb. 9, 2023, among 1,000 U.S. consumers about their buying preferences and behaviors. Respondents represented 48 U.S. states, all genders, and ages 18 to 75+, as well as various employment types and income levels.

Respondents were asked questions about their behaviors and spending since the beginning of 2023. Some of the analysis in the report compares responses from this survey to previous consumer trends surveys conducted by Jungle Scout, where data has been collected on a quarterly basis since June 2020. While Gen Z typically refers to people born between 1997 and 2012, report data references a subset aged 18+ were included in this survey.

Using the data

We invite you to explore **Jungle Scout's Q1 2023 Consumer Trends Report**, and to share, reference, and publish the findings with attribution to "Jungle Scout" and a link to this page.

For more information, specific data requests or media assets, or to reach the report's authors, please contact us at press@junglescout.com.

About Jungle Scout

Jungle Scout is the leading all-in-one platform for ecommerce sellers, supporting more than $50 billion in annual Amazon revenue. Founded in 2015 as the first Amazon product research tool, Jungle Scout today features a full suite of best-in-class business management solutions and powerful market intelligence resources to help entrepreneurs and brands manage their ecommerce businesses. Jungle Scout is headquartered in Austin and supports 10 global Amazon marketplaces.

Demographics data

Gender

Male	48%
Female	50%
Non binary	2%
Prefer not to say	1%

Age

18 - 26	21%
27 - 42	33%
43 - 58	20%
59 - 77	24%
78 +	2%

Region

Midwest	22%
Northeast	20%
West	16%
South	42%

Household income

Less than $25,000	26%
$25,000 to $34,999	17%
$35,000 to $49,999	13%
$50,000 to $74,999	20%
$75,000 to $99,999	11%
$100,000 to $124,999	5%
$125,000 to $149,999	4%
$150,000 or more	4%

Employment status

Employed (total)	**53%**
Employed (full-time or part-time) and leaving my home for work	44%
Employed (full-time or part-time) and currently working at home	9%

Unemployed	**47%**
Unemployed (looking for work)	8%
Unemployed (not looking for work)	4%
Student	4%
Homemaker	6%
Retired	20%
Disabled/unable to work	6%