Trailblazers of Tomorrow

Decoding Generation Alpha and the Social Commerce Opportunity

US REPORT

Contents

Introduction

It's our business to keep ahead of future consumer habits. Every year, we publish the "Future Shopper" report, a deep dive into that very subject based on an extensive survey of the main players themselves – consumers.

Five years ago, we took a more literal approach to the "future" aspect. We carried out our first extensive study into the opinions and attitudes of Generation Alpha, those 'trailblazers of tomorrow' aged six to 16. It's here we turn our attention once again. Sure, under 16s might not be fully independent consumers in their own right. But we believe their insights are invaluable in gaining a watertight perspective on what 'the future of commerce' might look like.

For one, don't let a lack of direct purchasing power fool you. Mediated through their parents, kids' influence on commerce shouldn't be underestimated.

Second, Generation Alpha has been raised in the age of social media and smartphones. To them, some of the emerging trends transforming commerce are just normal. If we want to know how these changes are shaping consumer attitudes, why not ask the natives?

With that in mind, in this report, we scrutinize social media, social commerce, and the growing impact of influencers in some depth. We also delve into the effects of technologies like AI voice assistants, digital downloads, and gaming. But it's not all about technology. Understanding Generation Alpha involves exploring their values and experiences, including the impact of the COVID-19 pandemic on this demographic.

And that said, it's not all about Generation Alpha, either. For the sake of comparison, we also surveyed representatives of different age groups from 17 to 55 and up. As well as discovering that certain older demographics remain pretty 'youthful' in their outlook, we also found that Gen Alpha, trailblazers of tomorrow or not, are still comfortingly familiar in important ways.

So here we go… welcome back to Generation Alpha, hello to social commerce, and here's to the future.

Hugh Fletcher

Methodology

The research was conducted by Censuswide, with 2,015 Gen Alpha respondents (6-16-year-olds) and 2,005 General Consumers aged 17+ across the US, between 27.10.2023 – 06.11.2023

Executive summary

Generation Alpha represents a new breed of consumer, but they are as familiar as they are unique.

Generation Alpha is feeling the fallout from the COVID-19 pandemic more than most age groups.

→ **66%** of Generation Alpha say the pandemic has made them anxious about the world, and they worry about future pandemics.

The most popular downtime activity across all age groups is watching TV.

→ **69%** of respondents watch TV in their spare time. We think of youngsters spending all their time on digital devices, but 75% of Generation Alpha are fans of TV, second only to over-55s (81%).

→ **Traditional TV** is still slightly more popular than YouTube (70%) among the younger generation.

Ethics and sustainability play a role in the purchasing decisions of most shoppers these days. For Generation Alpha, it could be a defining trend.

→ **76%** say they like to buy from companies trying to do good in the world, and 70% feel strongly about buying more sustainable, non-plastic products.

Gen Alpha is very much omni-channel in their behavior – not to mention demanding!

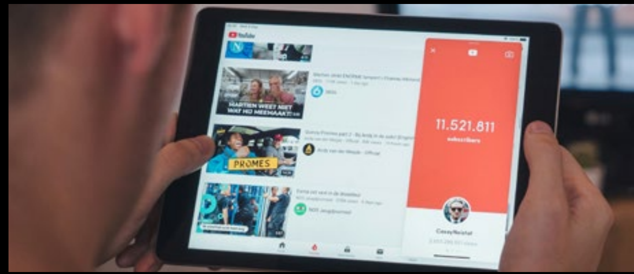
Shopping in-store remains as popular as shopping online across all age groups.

→ **78%** of Generation Alpha say they enjoy shopping in person at a store, versus 80% who like shopping online. The average figures across all age groups are 69% and 72% respectively.

Asked where they will be spending their money in 10 years' time, consumers across all age groups showed very few clear preferences. The consumer view on omni-channel shopping seems to be evolving into 'everywhere, all at once!'

Younger consumers have high expectations when it comes to speed of delivery.

→ **34%** of Generation Alpha expect delivery in two days or less, and 45% won't buy from anywhere that can't deliver the next day.



Social media is a big part of life for Gen Alpha. But it's not just kids' stuff.

Social media usage is high across all age groups. But Gen Alpha use it less than many of their older peers.

→ The average amount of time spent on social media per day is 2.97 hours.

→ Generation Alpha averages 2.93 hours. Consumers aged 17 to 44 average over three hours.

→ **34%** say they use social media to learn about new products. 29% use it to find reviews and recommendations.

YouTube and Facebook are the most popular social media platforms. But preferences change by age.

→ **YouTube** is king of social media across all age groups, used by 68% of all respondents and 76% of Generation Alpha.

→ **41%** of people told us video gains their attention most on social media, rising to 51% of Generation Alpha.

→ **Facebook** lands in second place overall (65%). It's heavily weighted towards older consumers (80% of over 45s). But 58% of Gen Alpha use Facebook too.

Executive summary

Social commerce is evolving rapidly. And young consumers are leading the charge.

More young shoppers find inspiration and make purchases on social media than other age groups – but there are barriers to buying more.

- **75%** of Generation Alpha have discovered a new brand or product on social media, versus an average of 61%.
- **57%** of Generation Alpha have also bought through social media, compared to an average of 47%.
- **72%** of young consumers are concerned by the customer support and returns processes through social sites.

Four social media platforms dominate – Facebook, Instagram, TikTok and YouTube.

- Facebook (44%) is the most popular social site for buying. It's also the most popular among Generation Alpha (47%).

Clothing and fashion are the hottest category for social commerce.

- **39%** of people who buy through social media say they are most likely to buy clothing or footwear. This jumps to 49% of Generation Alpha.

It's not just young consumers falling under the spell of influencers.

Friends and family are the biggest influences on purchasing decisions across all age groups.

- **Gen Alpha** is most likely to have their purchasing decisions swayed by friends (61%) and family (56%).
- **50%** of young consumers also say they are influenced by social media influencers, compared to 35% overall.

Today's consumers see influencers as an authentic and useful source of inspiration.

- **67%** of Generation Alpha believe promotions from influencers are more authentic than advertising.
- **69%** feel influencers give them a better insight into a product than marketplaces, brand or retailer websites.

Buying from influencers, or buying influencers' own brands, is a growing trend.

- **46%** of US consumers love to buy products and brands that are made and sold by influencers.
- **63%** of Generation Alpha love buying influencers' own brand goods, and 70% like buying from influencer-run web stores.

To meet the needs of next generation shoppers, brands and retailers will have to embrace next generation technology.

- **52%** of Generation Alpha say they could not imagine life without Alexa or their voice assistant, and 63% intend to make purchases using smart assistants in the future.
- **69%** of Generation Alpha would rather download a digital product if available than wait for a physical item to be delivered.

Section 1

Generation Alpha – just how different is the next generation anyway?

One of the golden rules of commerce is know your customers. So, if today's retailers and brands are going to be a hit with tomorrow's consumers, it's essential that they get to grips with who they are, what they like, what motivates them and so on.

A key objective of our survey was to dig into these questions. So, let's start by exploring what's unique – or otherwise – about Generation Alpha.

Chapter 1:

Pandemic scars run deep for Generation Alpha

It might seem strange starting a report about tomorrow's consumers by talking about what is now an historical event.

But whether it was the disruption to their education, the emotional and developmental impact of being isolated from friends and family at such an impressionable age, or simply having less life experience to draw on as they tried to make sense of such a frightening and unprecedented situation, the pandemic hit kids hard. It would be foolhardy not to expect that experience to shape the younger generation as they get older.

Don't get us wrong – the pandemic hit us all hard, and its lingering effects are most obvious in how it has impacted mental health. 58% of all survey respondents told us they are anxious about the world today, and 54% pointed to COVID-19 for making them more anxious.

But for Generation Alpha in the US, that figure leaps to 66% on both counts. The same percentage also say they are worried about future pandemics.

66% **OF GENERATION ALPHA SAY THAT COVID-19 HAS MADE THEM MORE WORRIED ABOUT THE WORLD.**

Youngsters' concerns through the pandemic centered on their families. 78% said COVID-19 made them worry about their family.

Interestingly, the only other age group to get anywhere near these figures is 35-44-year-olds – the demographic most likely to have young or school-age children. 76% in this group said COVID made them fret about their families, compared to an average of 69%.

Another interesting takeaway – and no comment here on its relation to mental health concerns – is the fact that 71% of Generation Alpha say they spend more time on social media because of the pandemic. But then again, 73% of 35-44-year-olds say the same. There'll be a lot more on social media in due course.

Chapter 2:

Downtime ain't what it used to be… or maybe it is…

It's easy to assume that the way people spend their spare time looks very different across age groups. But our survey findings give plenty of reasons to question this preconception.

For one, watching TV came out as the number one spare time activity across all age groups, picked out by 69% of respondents overall. Older people are most likely to kick back and watch the TV (81% of over-55s). But Generation Alpha came a close second with 75%.

69% OF CONSUMERS WATCH TV IN THEIR SPARE TIME, MAKING IT THE MOST POPULAR LEISURE ACTIVITY.

Perhaps an even more surprising finding is how similar the figures for spending time on social media are across age groups – just a 15% difference from top to bottom. But the biggest shock of all is that social media use peaks among 35-44-year-olds (65%) and is lowest among Generation Alpha (50%)!

This could be explained by parents restricting social media use, especially among younger kids. But when it comes to messaging friends on social media, Gen Alpha comes out on top (51%). Again, the consistency across the age groups is striking, with 17-24-year-olds and over-55s (39%) spending least time talking to friends on socials.

The starkest difference across age groups is time spent video gaming. Unsurprisingly, this is something 63% of Generation Alpha like to do. But this steadily declines to just 11% of over-55s.

There are also some understandable life-stage-related differences. For example, 46% of people aged 25 to 54 told us they spent their spare time trying to earn money. No rest for the workers, huh. And 51% of Generation Alpha spend their spare time studying and learning.

Interestingly, 17-24-year-olds were most likely to say they had no spare time. They also scored consistently low across all activities listed (apart from browsing social media).

The top 3 spare-time activities across the ages

	Gen A 6-16	17-24	25-34	35-44	45-54	55-64
1	75% Watching TV	51% Browsing social media	69% Watching TV	71% Watching TV	73% Watching TV	81% Watching TV
2	70% Watching YouTube	46% Watching TV	62% Watching YouTube	65% Browsing social media	61% Browsing social media	52% Browsing social media
3	66% Playing on a phone or tablet	45% Watching YouTube	58% Browsing social media	64% Watching YouTube	57% Playing on a phone or tablet	48% Playing on a phone or tablet

Chapter 3:

Brand ethics matter to all consumers

It's too easy to dismiss 'ethical consumerism' as a young person's game. Young people are idealistic, their seniors will often say. They don't know what things cost in the real world. They'll soon change their priorities when they have to hold down a job and provide for a family.

But the fact is, a convincing majority of consumers across all age groups are ethical consumers these days. Overall, 67% of our respondents told us they like to buy from brands that are trying to do good in the world. This rises to 76% of Generation Alpha, but also to 79% of 35-44-year-olds.

67% OF CONSUMERS LIKE TO BUY FROM COMPANIES THAT ARE TRYING TO DO GOOD IN THE WORLD. THIS FIGURE WAS 76% FOR GENERATION ALPHA.

It's not just about adopting ethical business practices, either. Consumers like a brand with a cause. 62% of respondents overall said they want to buy from brands with a purpose that goes beyond simply selling goods and services. 71% of Generation Alpha agreed, and again it was the 35-44-year-old group that felt most strongly about this (74%).

Chapter 4:

There's no hiding from the importance of sustainability – now or in the future

Arguably the biggest ethical issue facing the world today is the question of sustainability and climate change. Sure, there are the deniers and those who don't want to believe that the proliferation of heatwaves, droughts, violent storms and more have anything to do with human behavior. But they are firmly in the minority.

Most consumers nowadays are carrying the values of sustainability into their purchasing behaviors. 63% of respondents to our survey told us they prefer to buy products that are sustainable and plastic-free.

Young shoppers will carry these values into the future, with 70% of Generation Alpha wanting to buy sustainable products.

63% OF CONSUMERS – AND 70% OF GENERATION ALPHA – PREFER TO BUY PRODUCTS THAT ARE SUSTAINABLE AND AVOID PLASTIC.

Chapter 5:

Inclusion matters to lots of consumers, but there's a clear age gap

Another high-profile ethical issue shaping modern outlooks is the question of inclusion. It's a topic that attracts strongly held views, which can make it tricky ground for brands to navigate. But as a general principle, most brands want to appeal to as big an audience as possible. From a brand's perspective, inclusion is about making sure every potential customer feels welcome.

As for consumers' opinions, our survey showed a clear dividing line in opinions by age. For example, a lot of people under the age of 45 take questions of inclusion around LGBTQ+ and gender seriously. They're less important among the over 45 age groups.

So, we see that, among consumers aged 44 or under, 51% say they would prefer to shop with businesses that are LGBTQ+-friendly, and 55% say they wish businesses would consider gender-neutral customers more. Among those aged 45 and over, the figures are 30% and 33% respectively.

Now I know what you're thinking. You bet it's those very youngest consumers that are the most 'right-on' in their opinions about inclusion, isn't it? Well, no, actually. That accolade goes to the 35-44-year-old group. 54% of Generation Alpha is concerned about brands excluding gender neutral consumers. That rises to 64% of 35-44-year-olds. And 48% of Generation Alpha prefer to shop with LGBTQ+-friendly brands, compared with 61% of the older group.

What does this mean?

- Consumers do differ by age. But not always in the ways you might expect. It's always a good idea to check your assumptions and learn about your customers' opinions, values and needs directly.
- How consumers like to spend their spare time is a great example of this. Across age groups, TV and social media dominate people's attention. Don't fall into the trap of assuming social is for kids while older demographics stick to 'traditional' media. Media and content strategies should cater to all ages.
- People are anxious about the world, and this appears to be most keenly felt among Generation Alpha and adults with dependent children. Looking forward, expect this to drive demand for products and brands with positive messages around mental health and wellbeing. In an uncertain world, people are looking for reassurance.
- Businesses also must be aware that consumers are increasingly ready and able to talk about mental health in an open, honest manner. They expect brands to be sympathetic and empathetic.
- The same applies to ethics and values. Young consumers in particular are looking for brands that do the right thing and represent something beyond pure commercialism.
- Sustainability is the issue that is likely to have the greatest impact on consumer habits in years to come. We're already talking about two thirds of consumers actively looking to make more environmentally responsible choices in their purchasing decisions, and not just young consumers. This is a movement no brand can afford to ignore for any longer.

Section 2

Shopping habits – Generation Alpha and the omni-channel future

Chapter 1:

Young consumers still like to get physical when they shop

We've already challenged the stereotype that it's kids who spend the most time on devices and social media. So now to debunk another.

As 'digital natives', it would be easy to assume that Generation Alpha has a big preference for shopping online. But that's not what our survey results tell us. 78% of young consumers told us they like to shop at physical stores.

Two things about this finding are worth commenting on. One is that it's the highest figure we got across any age group. That's right – stores are more popular with Generation Alpha than older consumers who grew up with stores as their only option. So much for the death of physical retail!

78% OF GENERATION ALPHA ENJOY SHOPPING AT A STORE, THE HIGHEST FIGURE OF ANY AGE GROUP.

The other point is that, in terms of how much they enjoy both options, there's almost nothing to choose between digital and physical shopping for Generation Alpha. Compared to the 78% who enjoy going to a store, 80% say they enjoy shopping online. For young consumers, it's not an either-or situation. They appreciate both.

In fairness, the same can be said across all age groups. Overall, 69% said they enjoy physical shopping versus 72% who enjoy shopping online.

The message is clear – consumers aren't looking for a digital future at the expense of physical commerce. They want both.

Physical vs online shopping

	Gen A 6-16	17-24	25-34	35-44	45-54	55+
I enjoy going shopping in physical stores	78%	56%	69%	75%	68%	67%
I enjoy shopping online	80%	56%	73%	80%	73%	69%

Chapter 2:

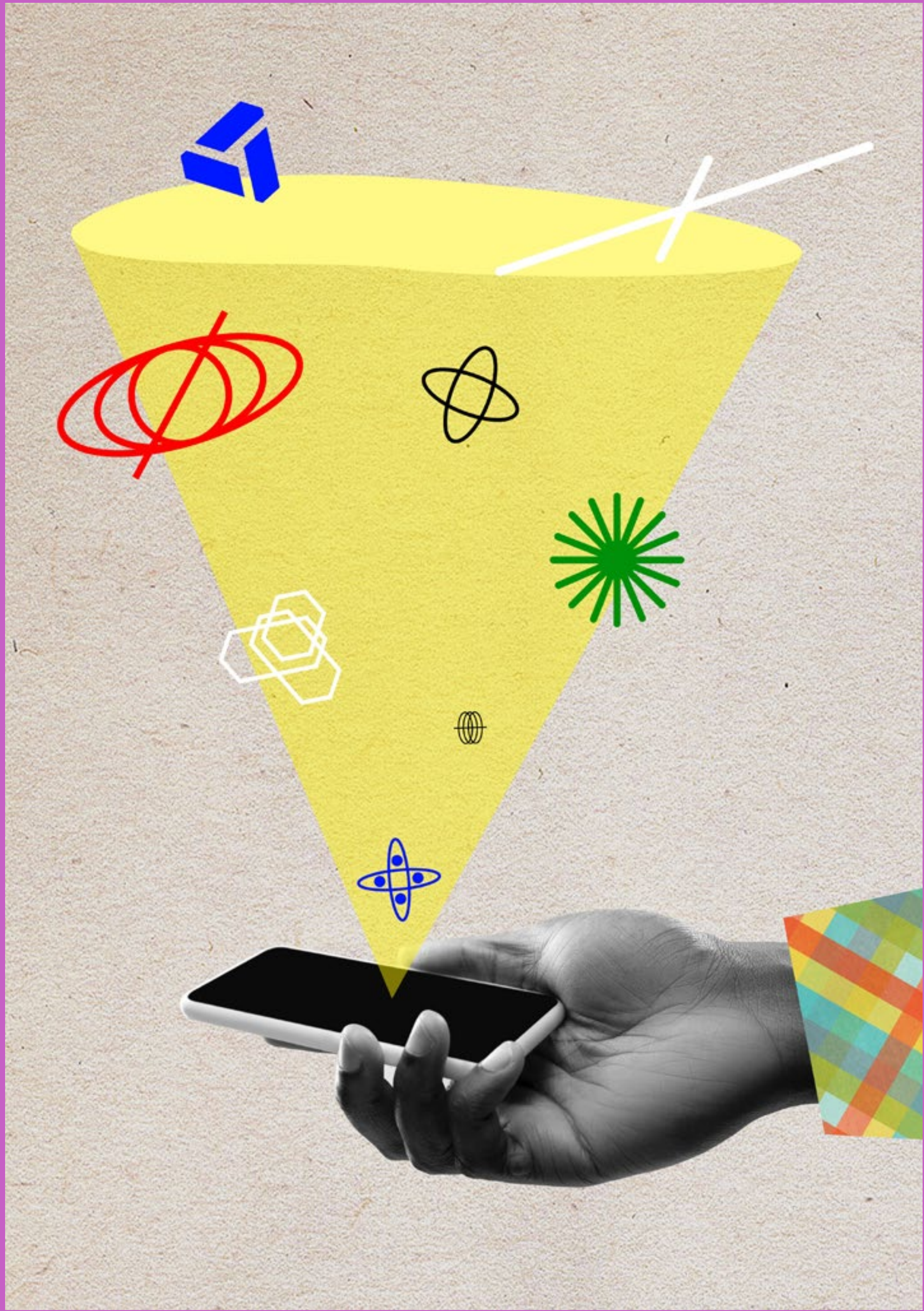
What does the future hold for spending?

For brands and retailers, this is the 64-million-dollar question. Where will consumers be spending their money in years to come?

We've already established that the future will be 'omni-channel' in the sense of both physical and digital having an equal role to play, at least as far as consumers' preferences are concerned.

When we asked about where consumers expect to spend their money in 10 years' time, the easiest way to sum up the answers we got would be to simply say – everywhere.

As the table on the next page shows, there's not even a small number of channels that dominate. From the consumers' perspective, omni-channel becomes 'every channel, all at once'. It's a position that is pretty consistent across age groups, too. That's quite a challenge for brands to contemplate!



In 10 years' time, what percentage of your spend do you expect to be in each channel?

	Gen A 6-16	17-24	25-34	35-44	45-54	55+
In a supermarket	10%	10%	12%	11%	20%	29%
On Amazon (via laptop / desktop / app)	8%	10%	9%	8%	12%	13%
In a shop	7%	8%	7%	6%	10%	8%
In-game purchasing	6%	4%	4%	4%	3%	1%
On a website (not Amazon)	6%	5%	5%	6%	7%	7%
Just thinking what I want (i.e brain computer interface)	5%	5%	5%	5%	4%	4%
Facebook	5%	4%	7%	5%	7%	6%
Through mobile apps (not Amazon)	5%	5%	5%	5%	5%	5%
Subscriptions	5%	6%	5%	5%	4%	3%
TikTok	5%	5%	5%	4%	3%	2%
Through VR or AR (Virtual Reality or Augmented Reality, i.e. environments created by computers)	4%	4%	4%	5%	3%	2%
Instagram	4%	6%	5%	5%	3%	3%
Machines will order things for me when they run out	4%	4%	4%	4%	3%	2%
Other social media app	4%	3%	5%	5%	3%	3%

Chapter 3:

Want it all and want it now?

So, consumers of all ages might be looking to a future where they can flit seamlessly across every available channel. And not make much distinction between physical and digital in the process.

But when people do buy online, there's one key difference to in-person shopping – purchased goods then have to be delivered or collected. And that raises a point which, according to our Future Shopper survey, is the number one concern consumers have when they buy online – how fast they can get their items delivered.

34% of Generation Alpha told us they expect delivery within two days – the top figure across age groups. But not by much. 35-44-year-olds are almost as impatient, with 32% expecting delivery in two days.

34% **OF GENERATION ALPHA EXPECT DELIVERY IN TWO DAYS OR LESS.**

At the other end of the scale, just 20% of 17-24-year-olds and over-55s expect delivery in two days or less.

What's with that sharp consumer personality shift from 16 to 24, anyway?

Wanting super-fast fulfillment is one thing. But perhaps more important to brands is how it shapes purchasing decisions. 45% of Generation Alpha said they would never buy from anywhere that can't deliver the next day – a pretty high bar to set!

But it turns out that the youngest consumers are not even the most demanding in that regard. 53% of 35-44-year-olds, and 46% of 25-34-year-olds, won't buy from places if next-day delivery isn't guaranteed.

35-44-YEAR-OLDS ARE THE MOST DEMANDING AGE GROUP WHEN IT COMES TO DELIVERY EXPECTATIONS. 53% WON'T BUY FROM ANYWHERE THAT CANNOT OFFER NEXT-DAY DELIVERY.

What does this mean?

- The commerce present is omni-channel, but the future is even more so, therefore it must sit at the heart of growth strategies moving forward. The more channels that are put in front of consumers, the more they want to use them all. And that applies across age groups. If omni-channel ends up literally meaning 'every channel', brands face a dilemma working out how they can cover all bases without spreading themselves too thin.
- If you have been considering the future of your in-store operations – think again. For consumers, physical retail is an integral part of the omni-channel future. And Generation Alpha is showing more love for stores than any other age group.
- Although they're not alone in this, young shoppers have higher and higher expectations for speed of delivery, and it is shaping their purchasing decisions. Alongside omni-channel, brands and retailers must make logistics a key pillar of their commerce strategies looking forward.

Expert opinion:

The omni-channel future and the role of social commerce

Shoppers are no longer engaging in a linear path to purchase, nor are they visiting only traditional channels for trip missions that were historically tied to different categories (i.e. Grocery channel for Food, Drug Store for Health and Beauty). The point of sale is the individual, and in-moment demand will continue to increase as consumers expect their needs to be met without delay.

To succeed, brands need to make it easier for a consumer to purchase, while considering the intersection of different audiences and their demand moments (e.g. day parts, occasions). Focusing on audience in generalities will not sufficiently meet their changing needs throughout a given day. For example, a Millennial Mom may be focused on getting the kids to school at 7AM, while getting ready for work. But as her day winds down and nears evening, her needs become more self-serving and slower-paced.

Understanding the consumer at all potential moments will create a seamless experience across their omni-channel journey – as they move from in-store to online via retailer websites, and increasingly within their social feeds, with purchasing through social for Gen Alpha growing to 56%.

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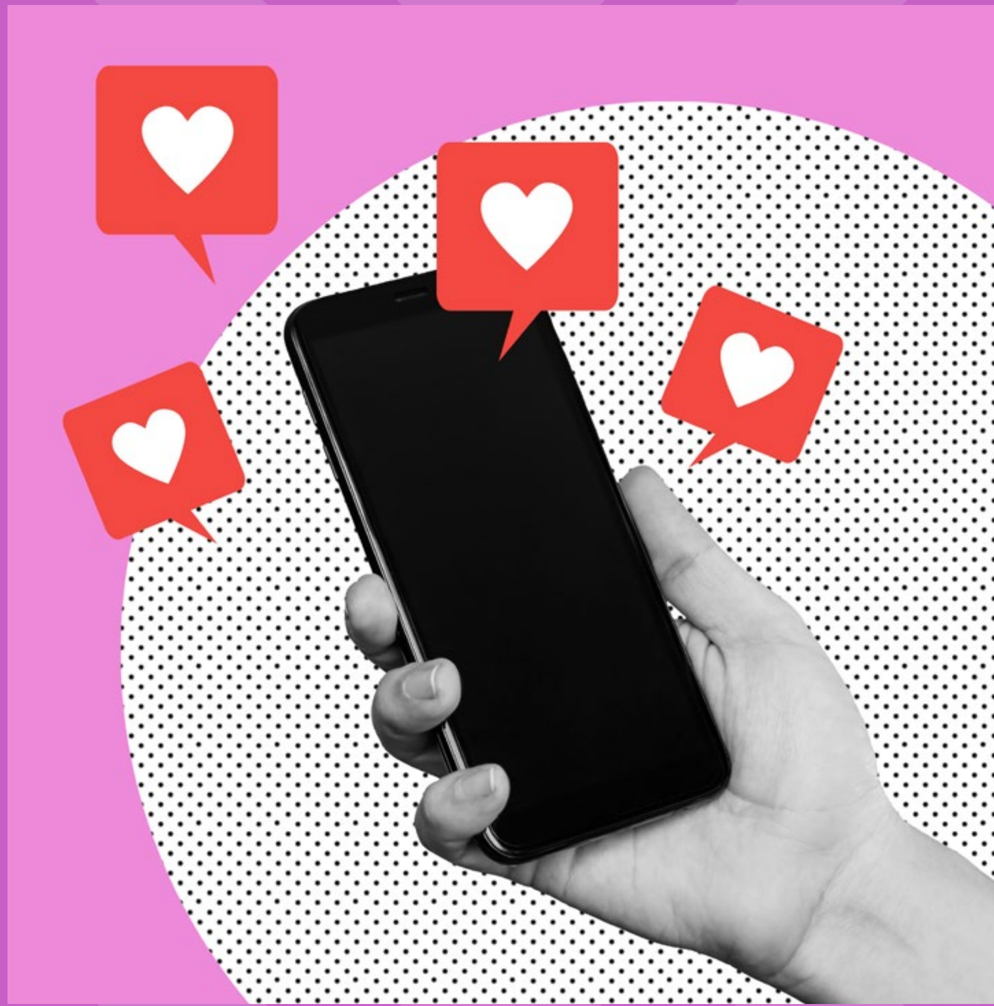


Section 3

The growing influence of social media

Chapter 1:

The post-pandemic picture

We've already touched on the significant role social media plays in people's downtime, right across age groups. We've also covered the impact the COVID-19 pandemic has had on consumers' outlook and behaviors.

So, let's start our deeper dive into social media and its role in the future of commerce right there – the impact the pandemic has had on social media use.

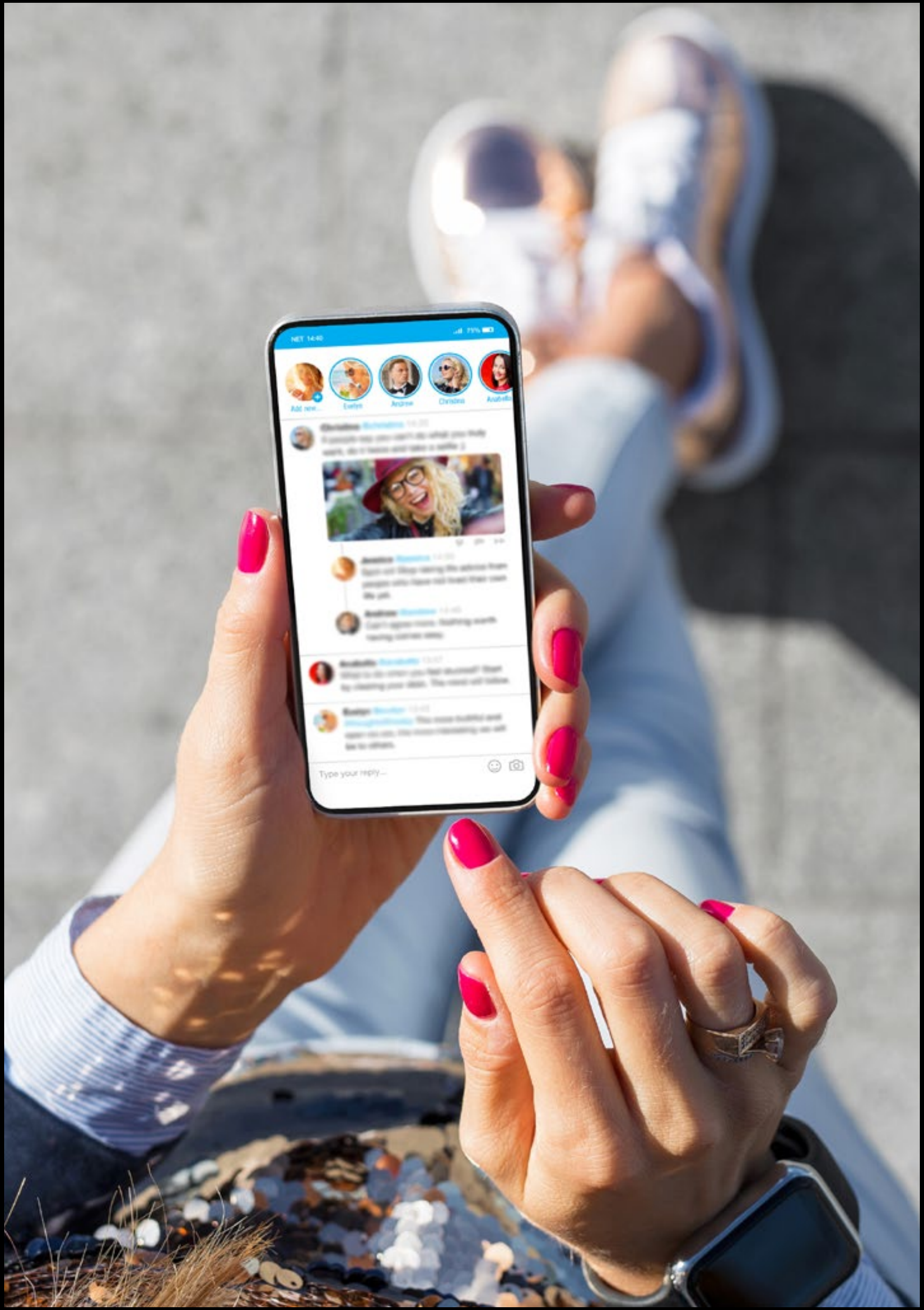
Most consumers (59%) told us that the amount of time spent on social media went up because of the pandemic. This is true of all age groups, except the over-55s (just 39% in this age group reported a pandemic-inspired increase in social media activity).

For Generation Alpha, the correlation between COVID-19 and social media use was very strong. 71% started using social apps more. Not for the first time, though, the highest figure came from the 35-44-year-olds group (73%).

71% OF GENERATION ALPHA AND 73% OF 35-44-YEAR-OLDS SAY THEY USE SOCIAL MEDIA MORE SINCE THE PANDEMIC.

The pandemic was also good news (if a pandemic can ever be good news to anyone) for social media influencers. 45% of respondents told us their opinion of influencers had gone up in the wake of COVID, although there were some marked differences by age group.

Again, 35-44-year-olds saw the biggest positive shift (61%), while 59% of Generation Alpha also say they see influencers in a rosier light post-pandemic. But only 22% of over-55s agree, and 35% of 17-24-year-olds.



Chapter 2:

Top social platforms

For US consumers, two social platforms stand out in the popularity stakes – YouTube (used by 68% of respondents) and Facebook (65%).

YouTube is popular across all age groups. Its biggest fan is Generation Alpha (76%), but in second place is the 45-54-year-olds group (70%).

YOUTUBE IS THE MOST POPULAR SOCIAL MEDIA PLATFORM, USED BY 68% OF CONSUMERS.

But for most other social platforms, age is a big factor in who uses them. This is even true of Facebook. Sure, a healthy 58% of Generation Alpha use a platform that often gets labeled a toy of Millennials and Gen X-ers. But the number of Facebook users soars to 74% of 35-54-year-olds. And it's those over-55 Baby Boomers who show it the most love (81%).

Flip that around, and TikTok is the second most popular social media app for both Gen Alpha (63%) and 17-24-year-olds (61%). But that dwindles to just 29% of over-55s.

It's a similar story with Snapchat, which is used by 48% of under 25s, but just 10% of over-55s. And the contrast is even more stark with the emerging generation of in-game messaging and social platforms like Roblox, Fortnite and Minecraft. 30% of Generation Alpha use these on average, falling to a scant 3% of over-55s.

Instagram is an interesting case. The photo-focused app finds its audience among Gen Zers and Millennials, peaking at 60% of 25-34-year-olds. Will its user base gradually get older the way Facebook has, as photo sharing is replaced by video clip and gaming apps?

Social media platform usage

	Gen A 6-16	17-24	25-34	35-44	45-54	55+
1	76% YouTube	62% YouTube	66% YouTube	71% Facebook	77% Facebook	82% Facebook
2	63% TikTok	61% TikTok	65% Facebook	67% YouTube	70% YouTube	67% YouTube
3	58% Facebook	57% Instagram	60% Instagram	58% Instagram	56% Facebook messenger	56% Facebook messenger
4	54% Instagram	47% Snapchat	54% TikTok	51% Facebook messenger	51% Instagram	38% Instagram
5	49% Snapchat	43% Apple iMessenger	46% Facebook messenger	50% TikTok	41% TikTok	29% TikTok

Chapter 3:

Time spent on social media

No prizes for guessing that social media chews up a big chunk of people's time these days. But just how much? A pretty huge 2.97 hours on average a day! Yes, you read that right. The average American spends approximately one fifth of their waking hours on social media.

2.97 HOURS A DAY – THE AVERAGE TIME SPENT ON SOCIAL MEDIA CHANNELS.

So, who are the biggest social media bingers? We already mentioned how, perhaps against expectations, Generation Alpha is less likely to spend their spare time on social media than older age groups. This is carried through into time spent on social media.

Not that Generation Alpha – averaging out at 2.93 hours per day – isn't clocking up some serious time on social platforms. But it's less than 35-44-year-olds (3.32 hours) and 25-34-year-olds. Top of the list is the 17 to 24 group, logging an amazing 3.87 hours on social media every day! Perhaps we've solved the mystery of why they don't seem to have much time for anything else…

Average daily time spent on social media platforms

	Gen A 6-16	17-24	25-34	35-44	45-54	55+
Hours	2.93	3.87	3.22	3.32	2.42	2.06

Chapter 4:

What people use social media for

So, what is everyone doing with all that time spent on social media? There are two main schools that dominate the list – using social media for entertainment, and using it for communication.

Entertainment is the top reason people use social media overall. 57% of consumers said as much. Then another 49% said it was to pass the time, while 27% say they go on social media to check out what celebrities and influencers are doing.

On the other hand, 50% of people use social media to communicate with friends, and 46% to communicate with family. 42% also use it to view content from other people, and 33% specifically to post their own content.

Looking at these trends with one eye on the future, Generation Alpha falls into the same patterns. 60% use it for entertainment and 48% to pass the time. 50% use it to talk to family, 45% to talk to friends. In fact, it's noticeable how consistent these patterns are. The main deviation is that over-55s are most interested in using social media to keep in touch with friends and family. But entertainment is still high on their list.

60% OF GENERATION ALPHA USE SOCIAL MEDIA FOR ENTERTAINMENT.

There is one more reason people use social media that is worth mentioning, which we will zoom in on more closely in the next section – shopping. 34% say they use social media to learn about new products. 29% use it to find reviews and recommendations, and 26% to find inspiration for purchases.

And what about Generation Alpha? The figures for the youngest generation of consumers were slightly above average for all the above. So maybe there's a tentative hint that using social media for shopping purposes will become more important in the future. But the age group that are really leaning into this already are 35-44-year-olds. 44% like to use social media to learn about new products, 41% look for reviews and recommendations there, and 33% use it for purchase inspiration.

What are the top 5 reasons for using social media across ages?

	Gen A 6-16	17-24	25-34	35-44	45-54	55+
1	60% Entertainment	55% Entertainment	55% Entertainment	57% Entertainment	61% Entertainment	59% Talking to friends
2	50% Talking to friends	48% Passing the time	47% Passing the time	50% Talking to friends	54% Passing the time	59% Talking to family
3	50% Passing the time	45% Talking to friends	43% Talking to friends	44% Learning about products	51% Talking to friends	55% Entertainment
4	50% Looking at content from other people	39% Talking to family	41% Talking to family	43% Talking to family	51% Talking to family	54% Passing the time
5	50% Talking to family	38% Looking at content from other people	40% Looking at content from other people	43% Looking at content from other people	43% Looking at content from other people	45% Looking at content from other people

Chapter 5:

The content people love most on social media

As we've alluded to, different social platforms tend to specialize in different types of content. YouTube and TikTok for video, Instagram for photos… then there's the likes of Facebook Messenger, WhatsApp and Apple iMessenger that specialize in text and other forms of 'chat'. While Facebook dabbles in a bit of everything.

Given YouTube's popularity across all age groups, and TikTok's with under 25s in particular, it's no surprise that video comes out as consumers' favorite type of content on social media. 41% say video grabs their attention most. And in second place… short-form video 'stories' or 'reels' (33%), a clear nod to TikTok.

It's also no surprise then that Generation Alpha is the most taken with video content. 52% say video in all its forms is what they look for on social media, while 41% mentioned short-form video in particular.

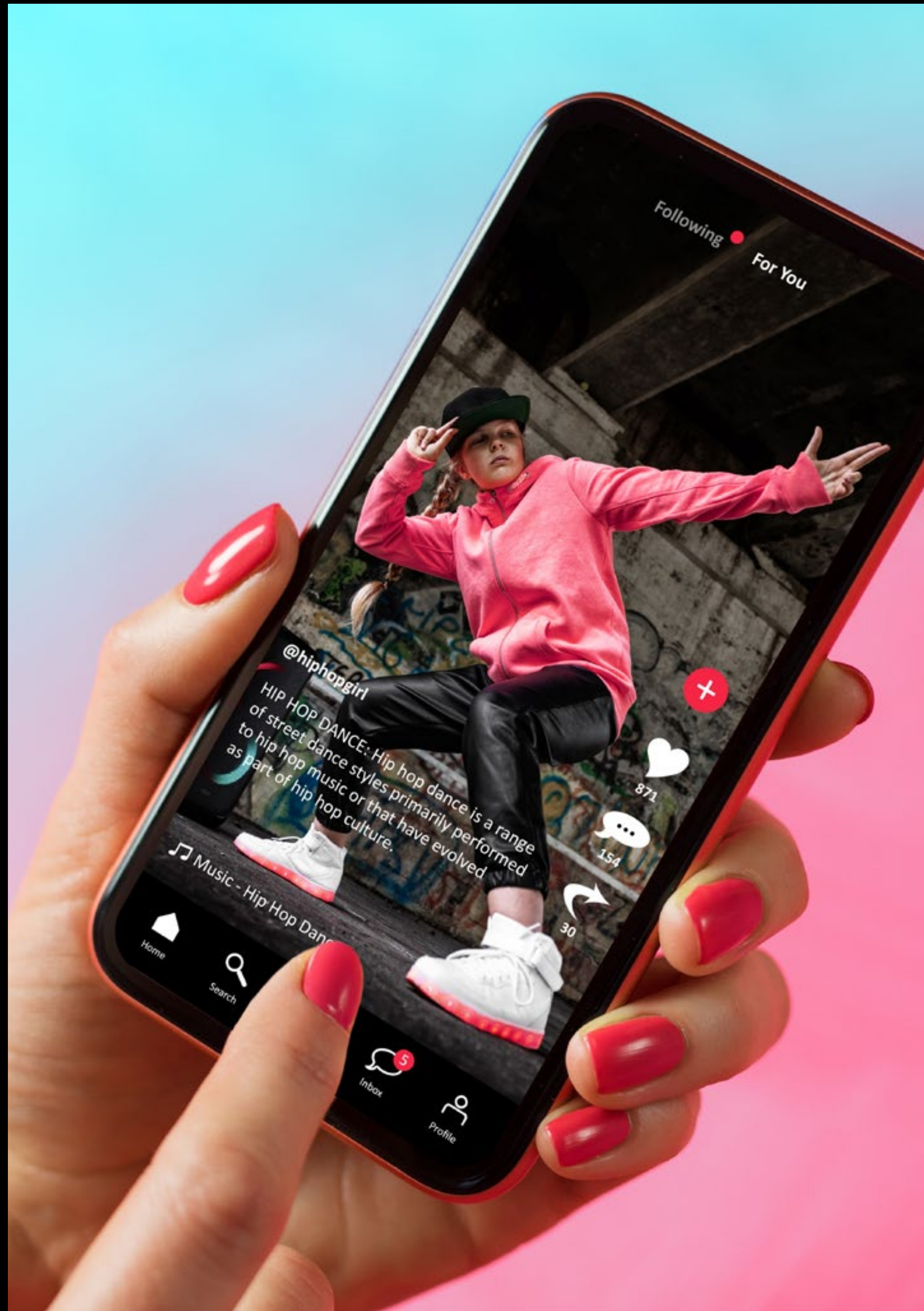
An honorable mention to the 35-44-year-olds again – 45% in this group are very much on the video bandwagon, the second highest figure. But the overall message has to be, if video is popular now, it's only going to get more popular in the future.

Third in the list overall are tutorials and learning-related content (32%) – less obvious, perhaps, but very much in sync with the hunger for video content. Whether it's YouTube or TikTok, people love watching videos to learn how to do something new.

There's also a consistency across age groups in how 'learning content' attracts attention. The same is true of reviews and opinions, and along the same lines, people's opinions. What's social media without opinions, after all?

Where there's more variation by age is interest in content linked to 'the latest trends'. 32% of Generation Alpha said this earns their attention, making it the fourth most popular type of content for young consumers (once again, 35-44-year-olds narrowly beat the kids, with 33% digging trend-related content!). But by the time you get to 45-54-year-olds, interest has dwindled to 21%, and then just 15% of over-55s.

Similarly, 26% of Generation Alpha is tuned into shoppable content (those ever-young Millennials in the 35-44-year-old group are at it again, with 28%!) But the same is true of just 12% of over-55s.



What content attracts users to social media platforms?

	Gen A 6-16	17-24	25-34	35-44	45-54	55+
Video content	52%	37%	38%	45%	41%	35%
Short-form video content like 'stories' or 'reels'	41%	30%	33%	34%	31%	31%
Tutorials and learning	36%	30%	34%	34%	31%	29%
Finding out the latest trends and challenges	32%	20%	27%	33%	21%	15%
Reviews and opinions	29%	26%	30%	33%	31%	30%
People's opinions	28%	28%	28%	32%	29%	32%
Shoppable content (imagery / videos / stories)	26%	23%	26%	28%	19%	12%
Organic Influencer posts (i.e. showcasing their everyday lifestyle without advertising on behalf of a brand)	26%	23%	30%	30%	16%	9%
Lifestyle Imagery	24%	20%	28%	30%	17%	10%
User-Generated Content	23%	16%	22%	22%	18%	17%
Product Shots	21%	11%	20%	24%	13%	9%
Unboxing	21%	25%	19%	21%	12%	7%
Adverts	20%	10%	19%	21%	9%	6%
Customer support	19%	13%	17%	27%	15%	9%
Work support / inspiration	18%	15%	23%	30%	15%	12%
Paid for Influencer endorsed posts	18%	10%	17%	23%	8%	3%

Expert opinion:

Getting content right is vital for social platforms, and vital for setting up the commerce opportunity of the future

Younger audiences, such as Gen Alpha, are reassuringly quite sophisticated consumers of content – they value content with meaning, but also require it to engage and align with their interests. When it comes to content creation, this need for value should be baked into the process, with guided briefing to ensure that content briefs are hitting the right notes, with an emphasis on cascading of the story through media types. Unboxing in short form videos can drive interest in relatively longer videos on platforms such as YouTube that unpack a story and educate and provide opinion on features. This is a rich content supply chain requirement and demands strong metadata management through the lifecycle of content, backed by AI to validate that content derivatives continue to uphold the original values of the brief.

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What does this mean?

- Social media is a staple of most people's lives, and usage is still rising. It's hard to imagine a future where social media isn't the cornerstone of every commercial strategy.
- Brands should take note of the fact that entertainment is the number one reason people use social media, especially Generation Alpha. Consider how you can leverage this to improve reach and engagement.
- Video is king on social media. Going forward, social content strategies must be built around video.

Section 4

Social commerce

In the last section, we touched on shopping-related uses for social media like learning about new products and reading reviews. This is still a way behind entertainment and communication in terms of the reasons why people use social media. But it is significant all the same.

There is, however, a more overtly ‘commercial’ use for social media that brands and the social companies themselves have long dreamed about – selling directly on and through social platforms. We call this “social commerce”.

From Facebook Marketplace to ‘shoppable’ posts on Instagram to livestream shopping on TikTok, social commerce is already very much a thing. But how is it likely to evolve in the future, and how could it shape the commerce space? Here’s what tomorrow’s (and today’s) consumers think.

Chapter 1:

The social commerce journey

Let's start at the beginning. The beginning of the customer journey, that is. As we've seen from those stats about learning about new products and finding inspiration, this is where social media is already having a major impact on shopping behaviors. And it's why so many analysts believe if you can get the sales part right, social commerce will be lucrative.

Overall, we found that 61% of our survey respondents have discovered new brands or products on social media. But the really interesting part is that this leaps to 75% of Generation Alpha. That compares to just 45% of over-55s. So, there's a heavy slant to young consumers.

75% **OF GENERATION ALPHA HAVE DISCOVERED A NEW BRAND OR PRODUCT VIA SOCIAL MEDIA CHANNELS.**

What is more, Gen Alpha told us why they are turning to social media to find new purchase ideas. 67% said they like to get their inspiration from social media (and from social media influencers) because, to them, it feels more authentic than traditional advertising. This compares to an average of 51%, and just 26% of over-55s. (Incidentally, 69% of 35-44-year-olds agree with Gen Alpha!)

73% of Generation Alpha (and same number for those 35-44-year-olds!) also told us that examples of products being used online is better than just seeing pictures of products on their own – a nod, perhaps, to the role of influencers in social media, which we'll explore in depth in the next section.

Finally, 68% of Generation Alpha say that when they see products promoted on social media, it makes them want to buy them. This compares to 50% overall and 24% of over-55s.

68% **OF GENERATION ALPHA WANT TO PURCHASE PRODUCTS THEY SEE PROMOTED ON SOCIAL MEDIA.**

So, there we have a clear picture of how, for the younger generation, social media plays a significant role across the whole shopping journey, from discovery and inspiration through to buying intent. They trust what they see on social media, and feel it has a practical value.

Now on to that all-important final step…

Chapter 2:

Buying on social media

So how does this translate into actual buying on social media, the defining feature of social commerce?

Across all age groups, 47% of respondents told us they had made a purchase through social media. Another 23% said they would like to do so in the future. So fast forward a few years, and you're talking 85% of the consumers of tomorrow potentially buying on social media.

47% OF CONSUMERS HAVE BOUGHT THROUGH SOCIAL MEDIA PLATFORMS, RISING TO 57% OF GENERATION ALPHA.

Is it a young person's trend? Well, just 29% of over-55s said they had made a purchase on social media. And another 17% said they would like to in the future. So, that adds up to a solid number even among the oldest age group. But 38% also said they would never buy on social media.

But the most active buyers on social media at present are – you guessed it – 35-44-year-olds (68%). So, it's a trend that has widespread appeal. And looks all set to grow in the future.

Purchase activity on social media platforms

	Gen A 6-16	17-24	25-34	35-44	45-54	55+
I have purchased a product from a social media channel	57%	40%	56%	68%	35%	29%
I have not purchased a product from a social media channel, but I would like to in the future	28%	28%	21%	19%	25%	17%
I have not purchased a product from a social media channel, and I would not like to in the future	8%	17%	14%	9%	25%	38%
None of the above / not sure	8%	15%	9%	4%	16%	16%

Chapter 3:

Where are social shoppers buying from?

So, which social platforms are consumers using to buy from?

With its marketplace now firmly established, it's no surprise to see Facebook top the list. 44% of the consumers we spoke to who have made purchases on social media have done so on Facebook.

44% THE NUMBER OF US CONSUMERS WHO HAVE MADE PURCHASES THROUGH SOCIAL MEDIA WHO HAVE BOUGHT ON FACEBOOK.

This figure is also consistent across age groups – 47% of Generation Alpha, and 45% of over-55s. Interestingly, Facebook comes out on top for Gen Alpha, as it isn't the top option for the two age groups immediately above it (TikTok for 17-24-year-olds, Instagram for 25-34-year-olds). Could this be a parental influence at play? Once again, we see those ultra-busy, ultra-keen 35-44-year-olds top the list of Facebook buyers with 57%.

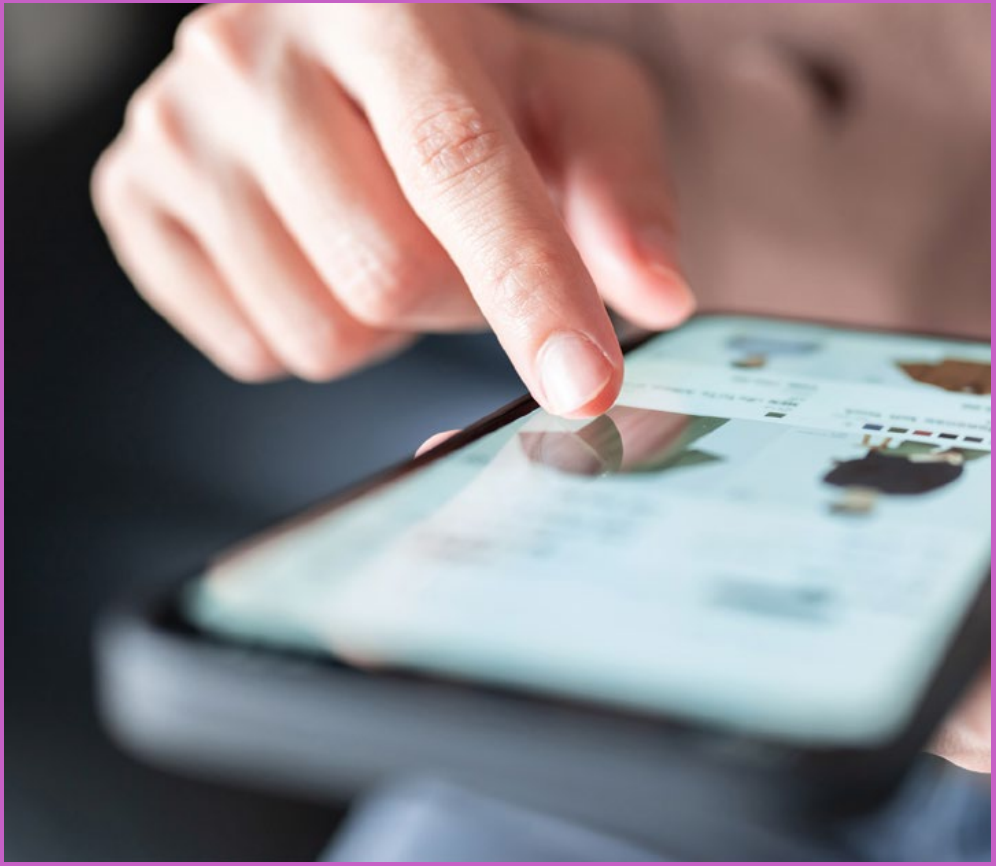
Facebook's parent company Meta has been on an interesting journey with on-platform buying. While its marketplace has been a success, Facebook Shops – a commerce front end feature within the Facebook platform – wasn't. The idea of having dedicated storefronts within a social ecosystem seems to have fallen by the wayside, in favor – in Meta's case at least – of 'shoppable posts', adding buy buttons to branded content.

This is the model Meta is pursuing on Instagram, and with some success. According to our survey, Instagram is the second most popular platform for social commerce in the US, with 36% of consumers who buy through social media using it. Don't be surprised to see this model rolled out to Facebook.

Some might be surprised to see Instagram beat TikTok and YouTube, which are both used by 34% of consumers. As the natural homes of livestream commerce in the West – the social media version of TV shopping channels – it's tempting to believe that this is an age thing and that TikTok and YouTube's time will come.

That will surely be the case, especially given the popularity of video content and streaming. But it's worth noting that more Gen Alpha respondents to our survey said they had made purchases on Instagram (43%) than TikTok (42%). TikTok's most loyal customer base is that seemingly awkward 17-to-24-year age group.

And just to prove that livestream commerce isn't just a kid's trend, YouTube is the second most popular social channel for over-55s to make purchases on (25%).



Purchasing on social media platforms by age group

	Gen A 6-16	17-24	25-34	35-44	45-54	55+
Facebook	47%	27%	41%	57%	46%	45%
Instagram	43%	38%	44%	45%	28%	16%
TikTok	42%	49%	37%	36%	25%	15%
YouTube	42%	24%	39%	44%	28%	25%

Chapter 4:

What are people buying on social media?

We also asked those respondents what kinds of products, by category, they were most likely to buy on social media.

The clear winner by a margin is clothing and fashion (39%), followed by beauty (29%), technology (27%) and household products (27%).

CLOTHING AND FASHION IS THE PRODUCT CATEGORY CONSUMERS ARE MOST INTERESTED IN BUYING ON SOCIAL MEDIA (39%).

Digging into how these preferences play out by age, the first thing to note is that older consumers are less interested in buying from social media full stop. 20% of 45-54-year-olds and 24% of over-55s said they had no preference for buying any type of product through social media, compared to an average across age groups of 11%. For over-55s, this was the third most popular answer behind clothing and household products (both 25%).

For younger consumers, clothing is still the stand-out preference. 49% of Generation Alpha said they'd like to buy fashion products through social media. They're more interested in technology (40%) than beauty (32%). But we can perhaps put that down to younger members of Gen Alpha not being old enough to be interested in beauty products yet.

On the other hand, the same logic surely explains why toys (44%) are Gen Alpha's second most popular pick for what to buy through social media.

Clothing and beauty are the categories that show the most consistency in interest across age groups. The same is true of household products, with the understandable exception of Generation Alpha.

Technology is surprisingly varied, with Generation Alpha and 35-44-year-olds (38%) far more interested in buying gadgets and digital products through social media than the other age groups. 35-44-year-olds also top the figures for buying groceries (34%) and luxury goods (33%) through social platforms – mid-life aspirationalism playing out on social media, maybe?

The top categories bought via social commerce

Name	Average	Rank
Clothing and fashion (e.g. high-street clothing, footwear)	39%	1
Beauty (e.g. haircare, skincare, makeup)	29%	2
Technology (e.g. smartphones, tablets, computers, headphones)	27%	3
Household products	27%	4
Grocery (e.g. food and drink)	24%	5
Toys (e.g. board games, soft toys, video games)	24%	6
Luxury (e.g. high-end clothing, watches, jewelry, bags, art)	21%	7

Chapter 5:

Who are people buying from on social media?

We've answered the where and the what of on-platform social buying, but who are consumers buying from on social platforms?

It's good news for brands – they are the most popular vendors on social media. 34% of consumers who shop on social media say they prefer to buy direct from brands.

38% OF GEN ALPHA SAY THEY BUY DIRECT FROM BRANDS ON SOCIAL MEDIA – MORE THAN DOUBLE THE NUMBER WHO PREFER BUYING FROM INFLUENCERS.

But there is a divide by age. Brands are the preference of younger shoppers, including 38% of Generation Alpha. In fact, they are the top choice for all consumers aged 44 and under.

But that flips for consumers aged 45 and up. They prefer buying from retailers on social media – 38% of 45-54-year-olds, and 37% of over-55s.

We suggested one other option – buying direct from influencers. Newsflash – influencers aren't where all the kids are spending their money on social media. In fact, not only is the 18% of Gen Alpha who picked out buying from influencers well short of the figure who like to buy from brands, it's not even the top figure for influencers. 20% of 25-34-year-olds like to buy from influencers on social platforms. And – you guessed it – 23% of 35-44-year-olds.

Chapter 6:
Social commerce concerns

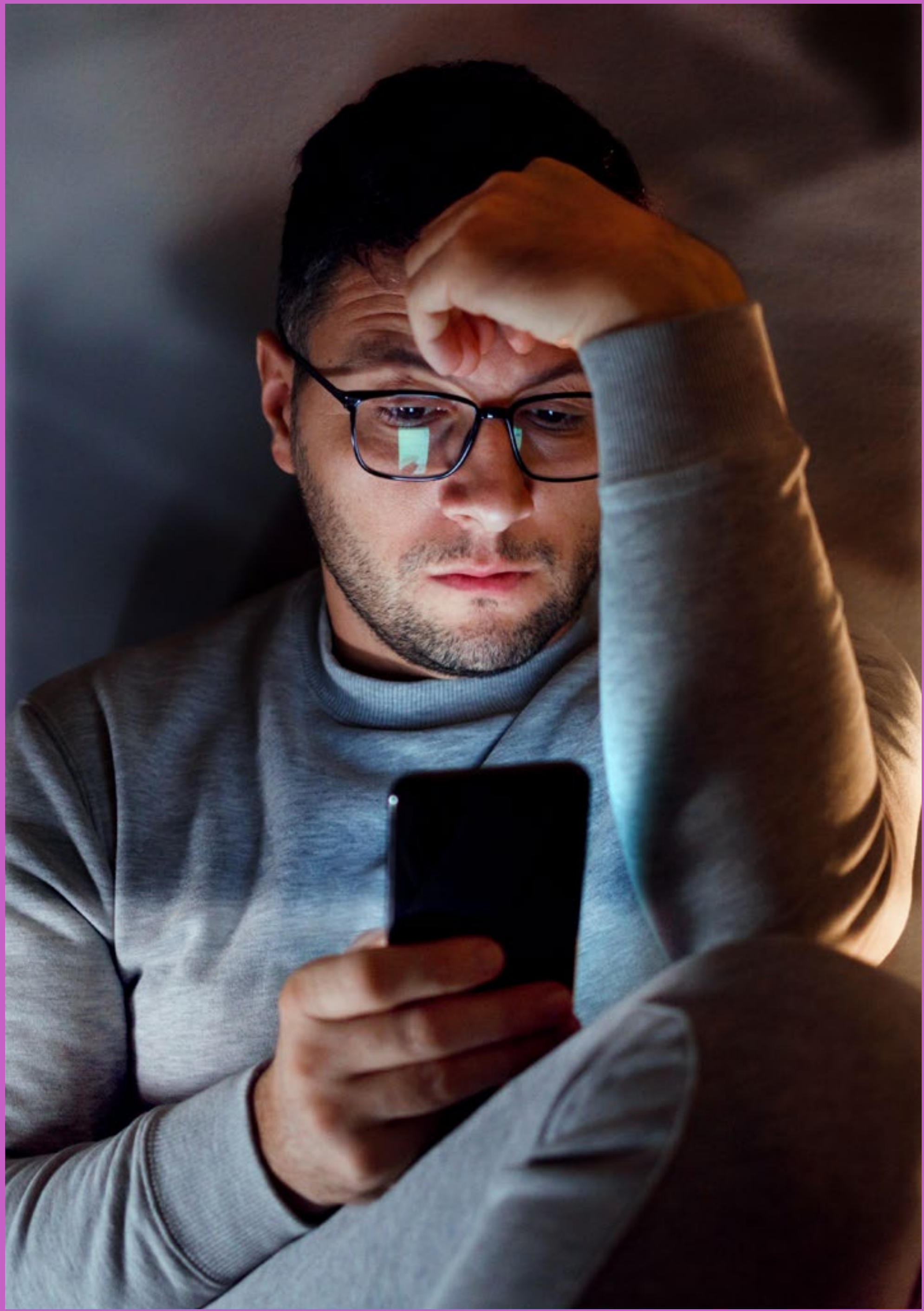
The social platform giants' path to dominating the world of commerce is not entirely clear. Our survey results threw up a number of areas where social companies still have work to do to convince consumers about their commerce credentials.

One is the sensitive issue of privacy and data protection. Digital commerce has always faced intense scrutiny over things like payment protection. Consumers are very wary of their payment details falling into the wrong hands when they buy online. Data breaches happen, and people lose money. It has taken the digital commerce, finance and cybersecurity industries years to earn consumer trust.

Social companies have to go through that process when it comes to selling. 21% of consumers told us they wouldn't trust social platforms with their personal data. In mitigation, this figure is heavily slanted towards older consumers. 46% of over-55s don't trust social media with personal data, and 30% of 45 to 54-year-olds. That compares to just 15% of Generation Alpha. But also 8% of 35-44-year-olds.

Consumers shared other concerns, too. 62% said they worry about the quality of customer service they will get if they buy through social media. And 64% fret about the returns process. These are big deals for Generation Alpha in particular. 72% expressed concerns on both counts.

Finally, 49% said they wished it was easier to buy directly on social platforms, rising to 65% of Generation Alpha. This signals a concern around functionality and usability, as well as a call for social companies to get their game in order.



Expert opinion:

Treat social commerce as a new route to consumer in order to deliver business growth

There has been much talk about the opportunity for brands to deliver growth via social commerce, but outside of China and somewhat increasingly the US, this growth has been hard to realize due to the continued tech fragmentation of social and commerce ecosystems. Never has there been a more important time to connect brand love to brand buy, but treating social commerce as a new route to consumer will be the only way to deliver a fair share of the much-promised revenue growth for businesses (8.5 trillion USD by 2030).

A winning social commerce strategy needs to be one that creates the most entertaining, engaging, frictionless and seamless experience to purchase, addressing barriers to purchase head on. Missing that goal will not only negatively impact sales, but brand equity too. If you invest in shoppers loving your brand and products on social, and there isn't an easy way to buy in the moment, it will frustrate them and likely encourage them to buy from a brand that delivers more connected experiences.

Use social commerce to appeal to consumers that remain underserved in your other channels – otherwise you risk cannibalizing sales from one channel to another and not delivering top-line growth. If you're a brand that needs to connect with Gen Alpha's who are prioritizing in-store experiences, then your social commerce strategy should be to drive their footfall into your stores (and ensure they benefit from the most immersive experiences when they get there).

Social commerce shouldn't just mean focusing only on delivering on-platform purchases, but on connecting shoppers to the most convenient shopping experience for them.

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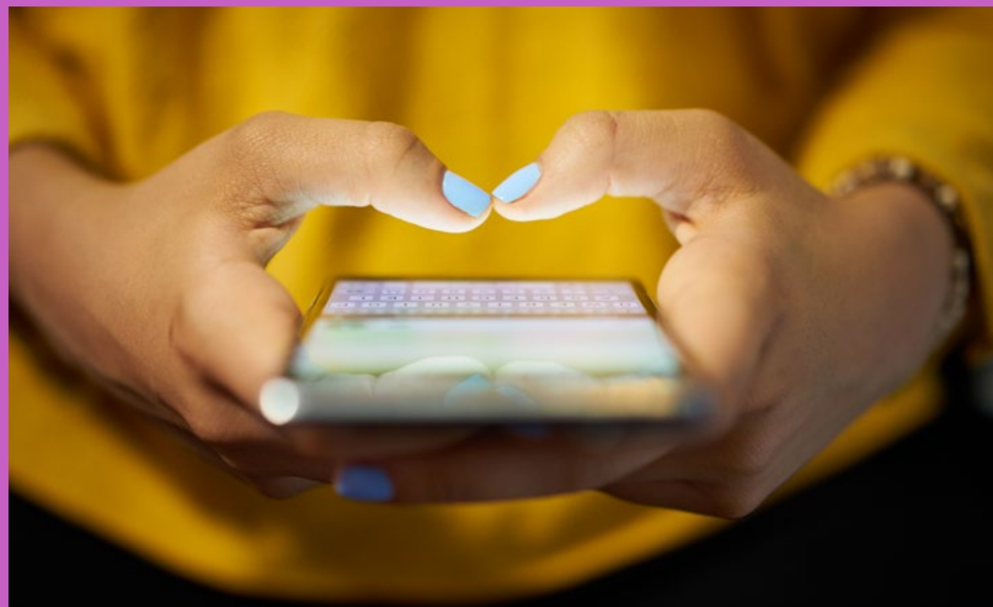
What does this mean?

- With around half of consumers already making purchases directly on social media, and another quarter saying they expect to do so in the future, social commerce is primed for take-off.
- The potential of social commerce is underlined by how popular it is with Generation Alpha. But what really catches the eye is how many young consumers are already using social media for discovery, inspiration and search, the level of trust they put in social channels over traditional media, and how it is shaping purchasing decisions.
- While influencers are making their mark as commercial players in their own right, even young consumers still prefer to buy from brands and retailers through social media. But there's no time to lose for businesses if they want to catch the social media wave. With new social-savvy competitors lining up to cash in, brands and retailers need to get their social strategies and processes right, now.
- Successful social commerce strategies should also address the concerns consumers have about this emerging channel, namely around data privacy and service, including the mechanics of how things like refunds work.



Section 5

From influence to influencers

We've covered in detail the growing influence social media is having on people's lives, especially young consumers. And we've highlighted how that influence is extending into affecting consumer behavior, especially as social media platforms become commerce channels in their own right.

In this section, we'll zero in on the question brands and retailers really want to ask about consumer influence – who or what influences purchasing decisions? And in doing that, we'll come face to face with a figure that looms large in all discussions of social media – the influencer.

Chapter 1:

Who's influencing purchasing decisions?

It's no surprise that, across all age groups, friends and family come out as having the biggest influence on what people buy, both singled out by 45% of our survey participants. The sway of close ones is felt strongest by Generation Alpha – 61% said friends influenced their purchasing decisions most, 56% said family members.

But hey, perhaps the bonds of friendship and kinship are always strongest when we are young. If we could travel through time, would these figures shift much for any cohort that's yet to come of age?

More interesting is the role of social media influencers and online celebrities. These figures came third overall, picked out by 35% of respondents. But here we see a much more obvious age gap. 50% of Generation Alpha said their purchasing decisions are shaped by online influencers. This dwindles to just 14% of over-55s.

50% OF GENERATION ALPHA SAID ONLINE INFLUENCERS INFLUENCE WHAT THEY WANT TO BUY.

We saw this pattern confirmed elsewhere in our survey. 66% of Generation Alpha told us that when they see products promoted or endorsed by online celebrities, they feel influenced to buy them. This is well above the all-age average of 47% and compares to just 19% of over-55s.

Similarly, 64% of Generation Alpha rate reviews and recommendations from influencers as important in making purchasing decisions. The average was 47%, and 24% of over-55s agreed.

It should be pointed out how susceptible people are to external influence changes with age. Generation Alpha, as you might expect of kids, are the most impressionable. Quizzed about who influences their buying decisions most, the youngest age group registered the highest percentage in four of the top five categories. Just 6% said that nothing influences what they buy. This rises to 27% of 45-54-year-olds, and 39% of over-55s.

But this shouldn't detract from the key takeaway – influencers exert a big influence over young people in their behavior as consumers.

Chapter 2:

Brand influencer

Influencers are no longer just popular figures and trend-setters. Increasingly, we're seeing influencers flex their muscles as commercial entities. In the last section, we touched on the concept of people buying products and services directly from influencers on social media.

And it's not even just a case of influencers stepping into retailer territory and selling the products and brands they endorse. We're also seeing more and more influencers launch their own brands – KSI and Logan Paul's PRIME Hydration, Mr Beast Burgers, Huda Beauty and so on.

How is this phenomenon going down with consumers? Pretty well, you'd have to conclude. Overall, 46% say they love to buy brands and products that are made and sold by influencers. Moreover, 51% say they like it when their favorite social media stars have a shop online.

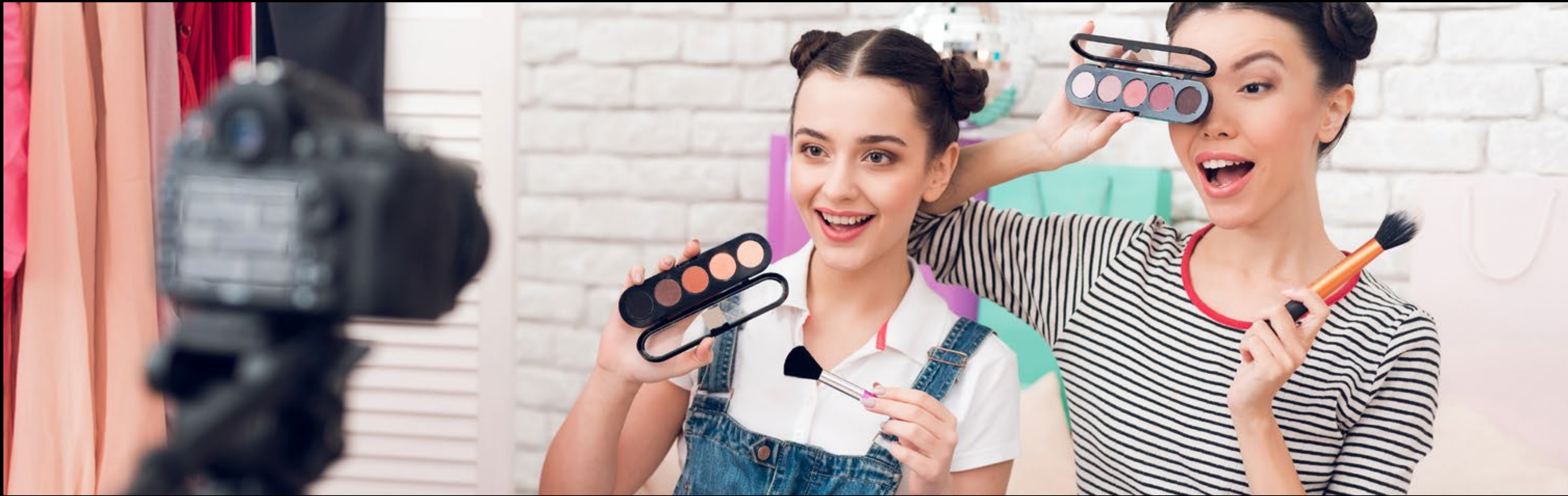
46% **OF US CONSUMERS LOVE TO BUY PRODUCTS AND BRANDS THAT ARE MADE AND SOLD BY INFLUENCERS.**

Again, there are lines to draw by age. 63% of Generation Alpha love buying influencers' own brand goods, and 70% like buying from influencer-run web stores. These figures fall to 21% and 23% of over-55s.

But don't get caught out thinking this is all about kids. 65% of 35-44-year-olds say they are big fans of influencer-run brands. And 71% like influencer-run shopping channels.

Another important stat to bear in mind is the fact that 57% of people we spoke to believe buying from influencers will grow in the future. This is something 71% of Generation Alpha agree with – and 73% of 35-44-year-olds.

57% **OF PEOPLE BELIEVE THAT BUYING FROM INFLUENCERS AND INFLUENCER-OWNED BRANDS WILL GROW IN THE FUTURE.**



Chapter 3:

But does 'influencer commerce' convert?

It's one thing people saying how much they love the idea of influencer-owned brands and like it when their favorite stars have their own web store. But how does this convert into actual spending? Remember, in the last section we found that, yes, some consumers do like to buy straight from influencers on social media. But the numbers were well down on those who buy from brands and retailers.

So, is it all buzz and hype? Or are influencers actually motivating people to spend?

The simple answer is, yes, they are. 46% of consumers told us that they have made purchases directly because of influencers.

46% OF PEOPLE HAVE BEEN INFLUENCED TO PURCHASE BY AN ONLINE INFLUENCER.

Respondents who have bought something because of an influencer

Gen A 6-16	17-24	25-34	35-44	45-54	55+
56%	40%	59%	68%	34%	20%

We know what you're thinking. Generation Alpha is the most likely to hit the buy button because an influencer tells them too, right? Think again. 56% of Gen Alpha has made purchases because of the influence of influencers. But the group that influencers have the most success with are 36-44-year-olds. 68% of this group have bought products or services because of an influencer.

No prizes for guessing that the age group least likely to be persuaded to part with their cash by influencers is the over-55s.

Chapter 4:

What are people buying from influencers?

Now we've established that people are making purchases because of influencers (and even buying direct from them), the next question is, what are they buying?

Perhaps not surprisingly, the answers follow a very similar pattern to the products people buy on social media platforms. As a percentage of those who told us they have made purchases because of influencers at all, the top five categories are clothing and fashion (46%), groceries (39%), beauty (39%), technology (37%) and household products (34%).

As the table below shows, there are differences by age group. But again, the patterns these follow are very similar to those we discussed in Chapter 4: What are people buying on social media?

Gen A 6-16	17-24	25-34	35-44	45-54	55+
54% Clothing and fashion (e.g. high-street clothing, footwear)	43% Beauty (e.g. haircare, skincare, makeup)	44% Clothing and fashion (e.g. high-street clothing, footwear)	52% Clothing and fashion (e.g. high-street clothing, footwear)	47% Clothing and fashion (e.g. high-street clothing, footwear)	39% Clothing and fashion (e.g. high-street clothing, footwear)
48% Technology (e.g. smartphones, tablets, computers, headphones)	40% Clothing and fashion (e.g. high-street clothing, footwear)	40% Beauty (e.g. haircare, skincare, makeup)	46% Technology (e.g. smartphones, tablets, computers, headphones)	46% Household products	38% Grocery (e.g. food and drink)
43% Grocery (e.g. food and drink)	31% Luxury (e.g. high-end clothing, watches, jewelry, bags, art)	39% Technology (e.g. smartphones, tablets, computers, headphones)	43% Luxury (e.g. high-end clothing, watches, jewelry, bags, art)	44% Grocery (e.g. food and drink)	38% Beauty (e.g. haircare, skincare, makeup)
42% Toys (e.g. board games, soft toys)	30% Grocery (e.g. food and drink)	39% Grocery (e.g. food and drink)	41% Grocery (e.g. food and drink)	40% Beauty (e.g. haircare, skincare, makeup)	32% Household products
37% Beauty (e.g. haircare, skincare, makeup)	28% Technology (e.g. smartphones, tablets, computers, headphones)	34% Toys (e.g. board games, soft toys)	39% Beauty (e.g. haircare, skincare, makeup)	35% Technology (e.g. smartphones, tablets, computers, headphones)	27% Technology (e.g. smartphones, tablets, computers, headphones)

Chapter 5:

Why are people buying from influencers?

What is it about influencers and buying from influencers that consumers like?

Earlier, we mentioned that 51% of consumers overall, and 67% of Generation Alpha, feel that social media offers a more authentic source of inspiration than traditional advertisers. That question also referenced influencers.

So, what is it about influencers that consumers feel makes them 'authentic'?

Part of it is clearly to do with seeing products 'in use'. 59% of our survey participants said they like to buy things that they have seen other people using or consuming, and they get that from influencers on social media. The question also references 'wearing' – which gives us a big clue as to why buying fashion items from influencers is so popular. This is also something young consumers feel particularly strongly about. 76% of Generation Alpha agree – although 79% of 35-44-year-olds also share this view.

59% OF CONSUMERS, AND 76% OF GENERATION ALPHA, LIKE TO SEE PRODUCTS 'IN USE' BEFORE THEY BUY.

Crucially, consumers feel this demonstrative side to influencers gives them and the social platforms they use one important edge over other eCommerce platforms. 54% feel influencers give them better insights into products than marketplaces, brand and retailer websites. 69% of Generation Alpha agree with this.

69% OF GENERATION ALPHA FEEL INFLUENCERS GIVE THEM BETTER INSIGHTS TO PRODUCTS COMPARED TO OTHER COMMERCE CHANNELS.

Chapter 6:

De-influencing

So, influencers are shaping the decisions consumers make about what to buy, especially among younger age groups. But we should also note that influencers can have the opposite effect – they can also influence people's thoughts on what not to buy! This is called "de-influencing".

Overall, 48% of our respondents said they appreciated it when influencers gave advice about what not to buy. This rises to 63% of Generation Alpha. And 64% of 35-44-year-olds.

48% OF RESPONDENTS SAID THAT THEY LIKED IT WHEN INFLUENCERS TOLD THEM WHAT NOT TO BUY ('DE-INFLUENCING').

One way to explain this is that recommendations about what not to buy as well as what to buy might contribute to the aura of authenticity influencers have. Although when influencers are pushing their own brands and taking commission on sales of others, this does raise the question of how objective influencer opinions really are…

Chapter 7:

Just another form of advertising?

This brings us neatly to our final discussion point around influencers. Modern consumers are savvy. A lot of people might have a lot of love for influencers these days. They might value their role as a source of inspiration and advice on purchases. They might like being able to buy directly from their favorite social media personalities, or even buy their own branded products.

But they know the difference between honest, objective advice and a sales pitch. And they see red flags when they feel the lines are being blurred.

47% of respondents to our survey told us they struggled to tell the difference between ‘organic’ social content and advertisements on social media these days. And they don’t like it much. 58% feel there needs to be greater regulation around how social media influencers sell.

Interestingly, it’s the 35-44-year-old age group who are most vocal about this, and who, it turns out, are even more enthusiastic about influencers than Generation Alpha! 72% in this age group want to see better regulation.

It’s a reminder that if influencers are to maintain that quality of authenticity, they need to be genuine and transparent about what they do.

What does this mean?

- The role influencers play in shaping purchasing decisions and driving sales in modern commerce cannot be underestimated.
- This presents an opportunity to brands and retailers in terms of seeking influencer endorsements and other commercial tie-ins. But brands also need to be aware that influencer-led brands, powered by enormous audiences and with almost instant brand equity, pose a considerable competitive challenge.
- All businesses can learn from what makes influencers so appealing to modern consumers, especially the younger generation, and apply those lessons to their own social media strategies.
- But even with their high levels of audience trust, influencers have to be careful not to cross the line into ‘inauthentic’ behavior, or dressing up sales-focused content as reviews and advice.

Expert opinion:

Influencer-led brands could disrupt the old brand order

Brands will continue to spend big with influencers, and for good reason too. Influences have proven highly adept at cultivating loyal followings that are invested in their content.

Whilst many also offer vast reach – with communities in the millions – brands should focus on quality above quantity, including whether the influencer's audience aligns with their target demographic and if there is an authentic fit with their own products or messages. When brands and influencers are a match, it can foster significant results – including a boost in sales especially when driving platforms with checkout functionality – like TikTok Shops.

As channels from TikTok to Twitch grow, so too will the influencers' access to audiences to convert. However, brands must remain strategically focused with aligning themselves with the right influencers to authentically promote their wares, and win brand love and conversion. Otherwise the investment will be wasted.

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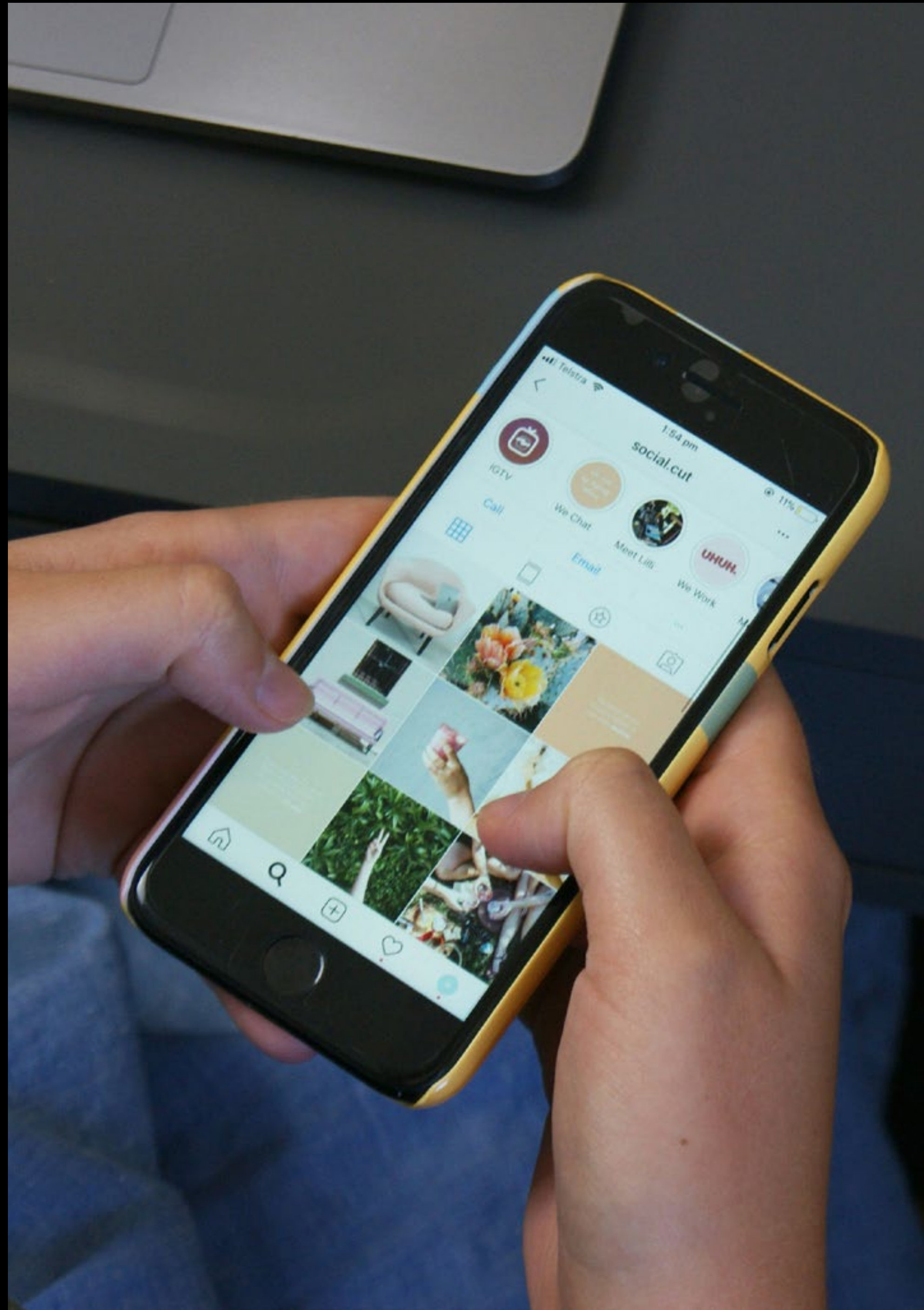

Section 6

Looking to the future: emerging technologies in commerce

The main reason we produce these reports focusing on young consumers is to provide a glimpse of what future consumer habits and behaviors are set to look like. So, a fitting place to finish our report is to look at technologies that are emerging as new channels in commerce, how young consumers in particular are responding to them, and what their influence in the coming years might be.

Chapter 1:

Voice commerce

‘Smart’ AI voice assistants like Amazon Alexa, Google Assistant, Apple’s Siri, Microsoft’s Cotana and Samsung’s Bixby are far from unfamiliar technologies. They’re embedded in pretty much every smartphone, laptop and tablet out there. You can buy dedicated ‘smart’ speakers powered by them.

But we wanted to dig into what kind of impact they are having on shopping behaviors.

Firstly, we found that use of voice assistants in general is much more prominent among younger people. Overall, 53% said they use a voice assistant routinely. But this increases to 68% of Generation Alpha.

Young people also come across as more comfortable with the concept of voice-activated technology, probably because they’ve grown up with it. 68% of Generation Alpha said they liked the idea of talking to a machine, and 69% said they felt comfortable doing so. This compared to average figures across age groups of 53% and 52% respectively.

69% OF GENERATION ALPHA FEEL COMFORTABLE USING VOICE INTERFACES ON MACHINES.

Moreover, 57% of Gen Alpha said they find it annoying when they have to use a keyboard, mouse or remote control instead of just talking to a machine.

But being comfortable with or even expecting to use a voice interface on a device is one thing. Does this translate into using voice assistants to make purchases? 41% of Americans we spoke to say they have done so. And more than half (53%) of Generation Alpha.

42% OF CONSUMERS HAVE MADE PURCHASES THROUGH VOICE ASSISTANTS. THIS RISES TO 53% OF GENERATION ALPHA.

But first place for using voice assistants to make purchases goes to those reliable Millennial tech explorers. 61% of 35-44-year-olds have bought via a smart assistant.

Gen Alpha seem to have aspirations to follow in their older peers’ footsteps, though. 63% said they intend to use voice assistants to make more purchases when they are older.

Chapter 2:

Product and consumer digitization

It’s not just the way people buy that is changing as digitization advances. It’s products themselves. In an increasingly digital world, we’re not just buying physical items anymore. Music, films, podcasts, e-books and audiobooks, all kinds of software apps and personal services – according to our Future Shopper report, 38% of everything that we buy online is digital these days.

What’s more, buying digital products is emerging as a preference for a significant proportion of consumers – just over half (52%) agreed that instant downloads are better than waiting for physical items to be delivered, in fact.

52% OF CONSUMERS SAID THEY WOULD PREFER A DIGITAL DOWNLOAD RATHER THAN A PHYSICAL PRODUCT.

If we look at the stats by age, this trend is only going to go one way. 69% of Generation Alpha and 70% of 35-44-year-olds now say they prefer to buy digital products than physical items.

What does this mean?

- Monitoring new technology trends among younger users can give brands a headstart in planning for the commerce behaviors of the future. Generation Alpha are tomorrow’s consumers, after all. Considering their preferences and habits in forward strategies is just sound business sense.
- Voice commerce may sound like an out-there concept to brands and retailers that have only known digital commerce to operate through the medium of screens. But businesses should always be guided by their customers, not what feels familiar and safe.
- Similarly, the growing popularity of digital products has big implications for what brands produce, and how they distribute it.

Expert opinion:

Staying ahead of the game

The rapid adoption of new technologies by Generation Alpha is a clear indication of the digital shift that is continuing to happen. We see that voice devices and digital products are becoming increasingly integral to their lives, with 58% using Alexa or similar devices, that’s massive!

Interestingly, while comfort levels with voice technology are high amongst this group, its use for commerce is still relatively low. However, with 40% of Generation Alpha indicating they would use voice as a commerce channel in the future, businesses should not underestimate the potential impact of this technology in particular.

It’s crucial for businesses to stay attuned to these emerging trends and conduct proof-of-concepts (POCs) to understand how these new technologies like Voice and AI can be harnessed effectively. Ignoring these signs could mean missing out on key opportunities to engage with Generation Alpha and future-proof their operations. This will be especially important as we start to see Generative AI make these voice experiences dramatically better in the near future.

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Conclusion

We've covered a lot of ground in this report. Pinning down Generation Alpha and how they are shaping up as tomorrow's consumers, the enormous coming trend of social commerce and the influencers riding the wave, what omni-channel will mean in years to come, and the new technologies that will add yet more channels to the mix – these are all big, big questions for brands and retailers to get their heads around.

So, let's try to distill that down into just a few final takeaways. First, while every generation is different and commerce seems to be in a continuous state of flux these days, there's no need to fear having to rip up the rule book in just a few years time.

Generation Alpha isn't all that different from their parents and grandparents. It's the tech that is changing faster than people. But even then, alongside AI voice channels and digital downloads, young people still love going to the store. The future of commerce looks both physical and digital, with consumers embracing channel variety. One of the biggest challenges for vendors will be covering all the options in a consistent, strategic way.

One channel we can be sure will have a big role to play in the future of commerce is social media. It already has a big say in inspiration and product discovery, not least through the figure of the influencer. These digital celebrities are emerging as online vendors and disruptive brands in their own right, and young consumers in particular are flocking to them.

While direct purchasing on social platforms still has room to grow, consumers of all ages expect it to be an everyday part of consumer life in years to come, and Generation Alpha is impatient for it to evolve. Social commerce presents opportunities and challenges to today's brands in equal measure. The message is, get ready now.

How we can help you

1. Are you delivering connected, omni-channel commerce experiences?

We intentionally consider how we create commerce experiences that surprise, delight, entertain, and address key barriers and drivers to purchase – across all channels. Failing to create seamless, frictionless purchase experiences, means your brand could be at risk of not only negatively affecting business growth but brand equity too.

Visit our Home of Connected Brands to see how you can create connected Brand, Customer, and Commerce experiences for your shoppers to deliver brand love as well as brand buy.

Connect with our Global Chief Digital Officer, Commerce at VML, **Debbie Ellison**

2. Do you require support in nailing and implementing your social strategy?

Through our global social commerce capability, we're helping businesses nail their end-to-end social presence via social commerce. Social platforms have evolved and consumers can now buy through the likes of Instagram and Facebook, so brands and retailers need to master their social commerce journeys to win over their audience on this vital channel. Our service supports your business's end-to-end social commerce experience, and covers everything you need to nail your social presence, comprising 5 key capabilities areas to offer a best-in-class approach to social commerce.

Connect with our Head of Social, **Chloe Cox**

3. Are you creating seamless consumer experiences to drive commerce across all interactions?

We foster trust and drive commerce between brands and shoppers by creating seamless consumer experiences across physical and digital retail. We enable organizations to forge lasting bonds with shoppers, earning their trust and loyalty through seamless experiences and meaningful connections across physical and digital retail environments, supported by specialized services. We empower brands to deliver seamless and connected shopping experiences, focusing on the consumer journey rather than individual channels.

Connect with our Senior Group Director, Commerce & Shopper, **Todd Hudgens**

4. Would you like to explore innovative digital experiences and technologies?

We review, test, and deploy innovative technologies and solutions to keep businesses ahead and future-ready. We explore, recommend and implement workable innovation, testing ideas, methodologies and leading-edge technologies to help businesses shape their own future and stay ahead. After all, how can you navigate the future of eCommerce without an understanding of the tech and trends shaping it?

Connect with our Head of Innovation, **Naji El-Arifi**

How we can help you

5. Do you need guidance on your eCommerce strategy?

As a growth partner, we help retailers and brands strategize for high-performance eCommerce through a suite of proven end-to-end services. We enable them to transact more business online by designing and implementing high-performance, future-ready digital strategies. This starts with defining a balanced multichannel strategy, aligned to your vision, and the planning of high-performance, integrated eCommerce solutions to support your growth ambitions and customer journeys.

Connect with our Group Strategy Officer in Europe, **Krantik Das** or our CEO in North America, **Adam Brown**

6. Would you like your experience to have the X Factor?

Day in, day out, we create customer and employee experiences that engage delight and convert. In putting the customer (or guest as we say) at the heart of every journey... at every touchpoint... we imagine what is NEXT for our guests through empathy, equity and creativity... resulting in frictionless experiences that drive betterment, joy and action. We also understand the value of employee experience in driving the right experience for clients guests, and we are passionate about designing the process and digital interfaces to enable and empower them.

Connect with our Chief Experience Design Officer, **Eric Looney**

7. Do you need help understanding your users so you can serve them better?

We offer deep experience in applying technology to lay the foundations for growth. We implement world-leading campaigning and CRM technologies to identify new audiences then build and retain long-term relationships at scale. Our experts have in-depth knowledge of the leading content and experience management tools and have created our own tools to give greater agility.

Connect with our SVP Marketing Science, **Julianne Hudson**

8. Do you need help developing your eCommerce sites?

Through our experience of inspiring powerful online CX and industry-leading websites, we see the combination of creative inspiration with frictionless CX as the critical agent of change. We combine qualitative & quantitative insights to create interfaces that exceed expectations. We create design systems for consistency, speed-to-market and best practice governance; and pixel perfect visual designs to front-end build, including websites, mobile sites, app and more.

Connect with our Head of UX & CX Consultancy, **Mike Rokes** or our Head of UI, **Tom Lancaster**

How we can help you

9. Do you need help generating real actionable insights from your data?

Our data intelligence practice generates insight-driven change to help your business excel in the age of the customer. Led by an expert team of implementation, data science and optimization analysts, we help multichannel organizations manage and interpret their data in order to support insight driven change. We also work with businesses to develop the tools and processes needed to become a data-led organization that gets results.

Connect with our Group Director Strategy, **Brian Lang**

10. Have you quantified your impact on the environment?

Our global Sustainable Commerce Practice is designed specifically to drive responsible consumption across digital commerce channels, providing organizations with tangible opportunities to deliver against their environmental commitments. It offers a platform to measure and meet these commitments, enabled by an automated system and CO_2 calculator that can track and reduce emissions in real time.

Connect with our Head of eCommmerce Consultancy, **Shalina Ganatra**

11. AI is making a major impact for many businesses. Would you like to explore the possibilities for yours?

For more than 12 years, VML AI specialists “Satalia” have been building enterprise AI technologies for some of the world’s best known organizations. They are one of a select few companies combining machine learning with optimization to build decision making systems that radically improve operational efficiency. Satalia is also one of the few companies globally with the expertise to engineer adaptive (AI) systems that combine both, driving enormous value for the clients we work with.

Connect with Satalia founder-CEO, **Daniel Hulme**

12. Do you need specialist support to deliver a powerful mobile experience?

Our mobile technology specialists “NN4M” develop bespoke native applications for commerce. Clients win by leveraging the most advanced mobile app platform to seamlessly build solutions that enhance their online and in-store offerings. This means maximizing the opportunity to increase revenue, customer engagement and loyalty at every touchpoint.

Connect with NN4M CTO, **Jonathan Heap**

About VML

VML is a leading creative company that combines brand experience, customer experience, and commerce, creating connected brands to drive growth. VML is celebrated for its innovative and award-winning work for blue chip client partners including AstraZeneca, Colgate-Palmolive, Dell, Ford, Intel, Microsoft, Nestlé, The Coca-Cola Company, and Wendy's. The agency is recognized by the Forrester Wave™ Reports, which name WPP as a "Leader" in Commerce Services, Global Digital Experience Services, Global Marketing Services and, most recently, Marketing Measurement & Optimization. In addition, VML's specialist health network, VML Health, is one of the world's largest and most awarded health agencies. VML's global network is powered by 30,000 talented people across 60-plus markets, with principal offices in Kansas City, New York, Detroit, London, São Paulo, Shanghai, Singapore, and Sydney.

VML is a WPP agency (NYSE: WPP). For more information, please visit **www.vml.com**, and follow along on **Instagram**, **LinkedIn**, and **X.** **#WeAreVML**

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