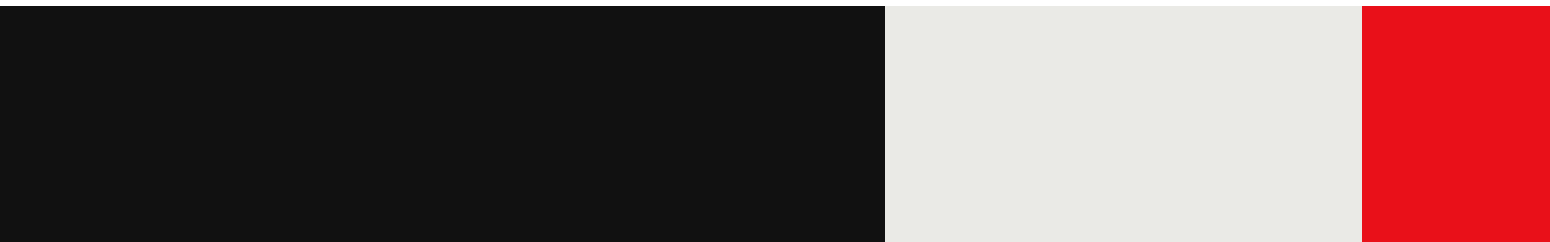



5 key stats on consumer spending

Article



Just because consumers are concerned with cost doesn't mean they aren't spending. Today's path to purchase is less linear, influenced by deal-seeking, social media, and payment options. Here are five key stats on how consumer buying behavior is shifting.

1. High-income consumers still want a deal

Key stat: 89% of households earning \$175,000 to \$199,999 annually say they use online coupon codes, compared with only 53% of households earning \$10,000 to \$24,999,

according to a June 2024 report by SimplyCodes. Households with incomes over \$125,000 are more likely to seek and use online coupon codes than households with incomes under six figures, the same report found.

What it means: Digital coupon codes not only attract cost-conscious consumers, but also give retailers more insight into their return on ad spend. Coupon codes should be easy to locate and use to ensure consumers across all incomes can take advantage of deals.

2. Young consumers aren't afraid to spend

Key stat: Nearly two-thirds (63%) of Gen Z consumers plan to splurge and treat themselves in Q3 2024—the highest among all generations—according to a May 2024 survey by McKinsey & Company. Gen Zers also reported the highest increase in intent to splurge compared to Q1 2024.

What it means: Gen Zers are prioritizing the present. With this, marketers can capitalize on Gen Z's desire to splurge through ad creative that emphasizes value beyond the product itself, but also the experience of the product.

3. Social media-influenced Gen Alphas are influencing their parents

Key stat: 65% of Gen Alpha parents say they are spending more on their children as their kids spend more time online and on social media, per a June 2024 survey by HostingAdvice.

What it means: Gen Alphas are increasingly asking their parents to buy items they see online, the same report survey found. Although marketers can't target Gen Alphas through ads on social media, they can increase the amount of organic content, boosting the likelihood of exposure.

4. Videos help move consumers down the purchasing funnel

Key stat: 30.0% of European and US consumers say that videos highlighting product features, tutorials, or case studies make them more likely to purchase, according to April 2024 data by Syndigo.

What it means: If the ascent of social search wasn't already an indication, it's clear that consumers are looking at content when they're researching products. Retailers that enhance

their product pages with in-depth descriptions, photography, and videos can help consumers make informed purchases and potentially stem returns.

5. Cashless payments spur spontaneous spending

Key stat: Consumers are twice as likely to make an impulse purchase when using a card payment compared with a cash payment, according to a May 2024 report by Forbes Advisor. That may be because nearly 3 in 10 consumers (27%) say that not seeing cash makes it easier to spend money, the same report found.

What it means: Cash will account for nearly a quarter (24.8%) of all US in-store retail food and food services in 2024, however, its share will shrink by 2.6% next year, according to our August 2023 forecast. Retailers should lean into the shift—in addition to offering diverse payment options, they can incentivize card purchases through loyalty programs or mobile apps.

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