

Over half of Gen Zs prefer eco-conscious products, says m1nd-set

Swiss-based agency m1nd-set has conducted a deep dive into the consumer behaviour of Generation (Gen) Z, with its data showing that over half (57%) prefer eco-conscious products and a similar percentage favour brands that share their values. Vintage and pre-loved options also resonate deeply.

These are just some of the key statistics the leading travel retail research agency is highlighting in its in-depth study into what will be the largest travelling shopper segment in the next few years, with a view to providing travel retail stakeholders with the information they need to greater align their offering to Gen Z.

In the research, m1nd-set argues that significant changes are yet to be implemented to ensure the merchandising mix is aligned with the generation's desires, needs and expectations.

"In the same way as the industry has placed huge importance on millennials or Chinese consumers in recent years, it's essential that the same, if not greater, priority is given to this young generation of consumers, said Peter Mohn, CEO & Owner at m1nd-set.

We have conducted extensive research on Gen Z consumers globally and we see how they stand apart from other generations with distinct traits and behaviour, especially in their consumer habits, lifestyle choices, and media consumption.

"Gen Zs are much more deeply driven by purpose, with about a third actively engaged in social justice or activism.

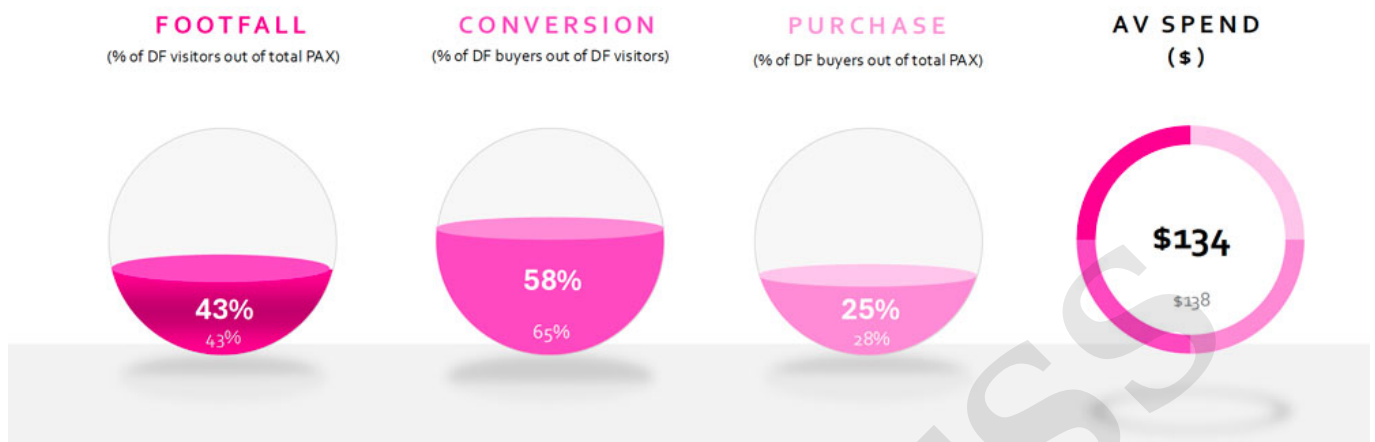
Growing up as the first true digital natives, Gen Zs are immersed in technology, relying heavily on mobile devices and social media for both communication and decision-making.

They trust peer recommendations more than traditional sources, frequently discover and shop for brands on platforms like TikTok and are key drivers of social commerce."



TikTok and Instagram are important discovery travel tools for Gen Z, says the m1nd-set research.

GEN Z - THE FOOTFALL AND CONVERSION CHALLENGE



Grey (%) indicates "Other groups" values



The m1nd-set research delves into how Gen Zs are reshaping the travel industry by placing far greater emphasis (compared to older generations) on sustainability, authenticity and meaningful engagement with local communities.

It demonstrates how they actively seek eco-friendly services, including zero-waste practices, local food and eco-transport, pushing the travel industry toward greater environmental responsibility.

"When it comes to travel, we see that Gen Zs are redefining tourism by prioritising unique and eco-conscious experiences over luxury goods and traditional activities, said Mohn.

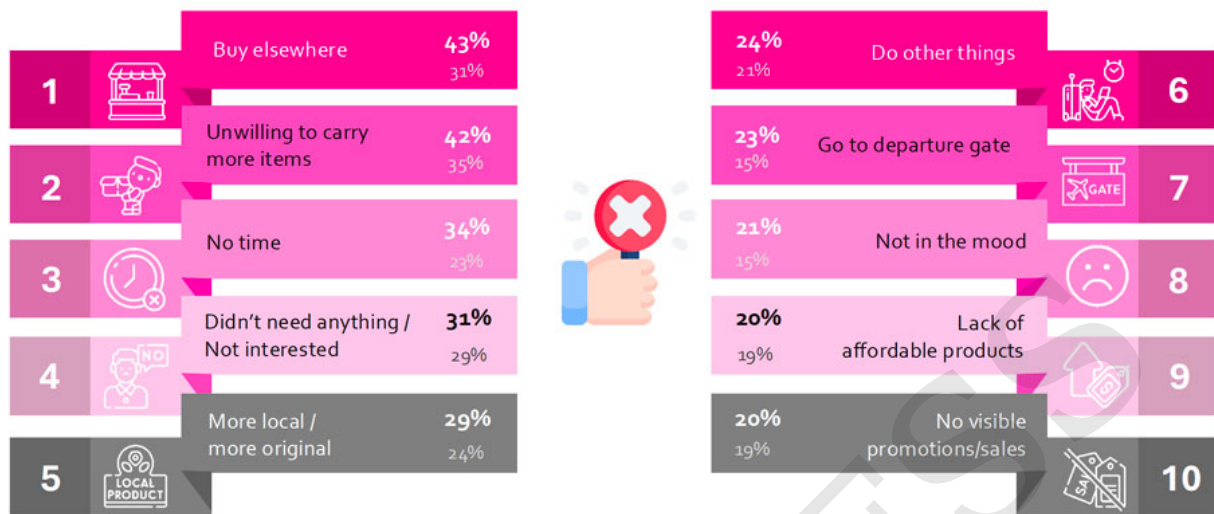
They allocate significant portions of their budgets to travel, prioritising international travel over spending on dining or shopping at home. Cultural and authentic experiences resonate more with them than nightlife.

Short-haul, flexible travel options and sustainability are particularly appealing to Gen Zs, which highlights their preference for meaningful and responsible tourism over conventional travel."

As well as showing a high preference for eco-conscious products and brands that share their values, as well as vintage or pre-loved options, the research reveals that the preferences of Gen Z signal a broader demand for socially responsible and inclusive practices by the companies whose products and services they purchase.

Whether the travel retail sector is genuinely prepared to meet the expectations and values of Gen Z shoppers is a major concern, according to m1nd-set, given the importance of the shopper segment in terms of size and value.

GEN Z - TOP 10 BARRIERS TO VISIT



Grey (%) indicates "Other groups" values



"In the next four to five years, Gen Zs will represent the largest consumer age segment in travel retail accounting for the majority of shoppers in the channel, said Mohn.

They already have a spending power of over \$US200 billion and it's expected that, together with Gen Alphas, they will be spending three times the amount spent by all other generations by 2030.

"Although footfall rates among Gen Zs are similar to those of other generations, the purchase rate among Gen Zs is lower than all other generations, which in turn leads to an underperforming conversion rate. Average spend is also generally lower than other generations, particularly in Asia Pacific.

The main reasons Gen Zs give for not entering the stores or purchasing in duty free and travel retail, differ across regions according to the research, but common challenges include the fact that they purchase elsewhere, have no intention to purchase and prefer not to carry more items.

They also claim higher prices compared to home, a lack of unique or innovative products, limited promotions, and a shortage of authentic local goods are reasons for not entering or purchasing from the duty free shops.

Many also perceive the offerings as unoriginal or too similar to those available in their home markets.

Gen Zs tend to notice touch points less than other generations generally, which, according to m1nd-set, can be explained by the fact that the industry is not communicating with Gen Zs where they consume their media, namely via social media platforms.

The data also points to shop floor sales staff as vital to increasing the conversion levels among Gen Zs, as not only is the interaction level by Gen Z shoppers above the global average, the impact of the interaction is also positive.

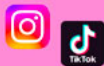
Of those who interact, more than seven out of 10 Gen Zs say the staff had a positive effect on their decision to purchase.

GEN Z – DIGITAL AND EXPERIENTIAL IS KEY



TikTok & Instagram an important travel discovery tool

80% of GEN Z travellers
across many developed
markets find **new**
destinations through TikTok.



Creating Value Through Personalized Experiences

60% of GEN Z consumers
referenced various **experiential**
tourism options such as wellness
sessions or art & craft workshops.



Embrace Local Culture While Traveling

80% of GEN Z express a **strong**
interest in taking part in **local**
customs and traditions.



The interest in the Gen Z shopper segment is genuinely strong among travel retail stakeholders, as we are seeing continued strong demand for research and bespoke workshops on the profile, said Mohn.

We see though that still more needs to be done; businesses in travel retail must continue to focus on building communities, offering unique experiences, and embracing purpose driven branding to engage with Gen Zs.

Travel retail spaces should serve as experience hubs that highlight sustainability and well-being, while fostering connections through peer recommendations and social commerce.

We need to see stakeholders curating more creative, Instagrammable, and TikTok-friendly retail environments, along with personalised, video-driven social media marketing to appeal to and win over this discerning generation.

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