

Gen Z Consumer Behavior: A Shift from Ownership to Experience

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ABSTRACT

With the advent of Generation Z, commonly defined as people born in the years 1997 to 2012 (Pew Research Center, 2020), the world's first "digital native" generation has emerged as a significant new consumer group, and it is changing world market dynamics. Estimated to possess \$9.8 trillion in spending power in 2024 and grow by \$12.6 trillion by 2030 (Whop, 2026; McKinsey, 2025), Gen Z currently represents about 17% of global consumer spending. Unlike those before them, for whom identity and consumption were linked to physical material goods - cars, houses, labels, and brands - Gen Z displays a consistent preference for physical and digital experiences, virtual ownership, and consumption patterns organized around social values. This paper explores the structural, psychological, and economic underpinnings of this phenomenon through a mixed methods approach combining ordinary least-squares (OLS) regression, intergenerational comparative analysis and values-behavior hypothesis testing on published data sources from McKinsey, PwC, Bank of America, Deloitte, Ipsos and the Eventbrite experience economy research series. We conclude that: 72% of Gen Z prefer spending on experiences over physical goods (McKinsey, 2025); Gen Z's average annual travel expenditure is \$11,766 - the highest across all generations (Atlys, 2025); OLS regression ($R^2 = 0.892$) shows that financial anxiety is negatively related to the share of experiential spending; and drivers of values-based consumption - sustainability (73%), brand ethics (64%) and digital authenticity (64%) - have stronger influence on Gen Z than on all previous cohorts. The paper addresses a gap through the first quantitative regression model to integrate financial anxiety, values-behaviour, and experience preference across four generations. Six recommendations for brand management, retail environments, marketing and public policy are derived.

Keywords: Gen Z, Consumer Behavior, Brand Loyalty, Sustainable Consumption, Generation Z, Digital Natives, Generational Economics, OLS Regression, Values-Based Marketing, Experience Economy, Ownership Economy.

Introduction

Consumer behavior always has a generational dimension. Baby Boomers created an ownership society - buying cars and houses in the suburbs, and white goods with brand name labels as status symbols of wealth and success. Generation X and Millennials moved towards consumption-as-lifestyle, and brands as badging and aspirational markers. But Generation Z (1997-2012) is enacting a more profound change: from the "ownership economy" to the "access, experience, and purpose economy" (Pine & Gilmore, 1999; McKinsey 2025).

This isn't a mere attitude, it's a verifiable consumption pattern. According to the Bank of America Institute (2025), discretionary expenditure on entertainment and travel by Gen Z is up 25.5% year-on-year and 13.8% compared to previous years, respectively, significantly higher rates than among older generations in equal life cycles. Gen Z on average spends \$11,766 a year on travel (more than any other generation) (Atlys 2025). Gen Z's taste culture emphasises growth in subscription services as well as concerts and experiential restaurants, and decreases in the ownership markers of car ownership, home ownership, and brand loyalty (PwC 2015; Whop, 2016).

In theory, the best explanation for this behavior resides in the Experience Economy model (Pine & Gilmore, 1999), which argued value would be successively transferred from commodities to goods to services to experiences. Gen Zs are the first large cohort of consumers growing up entirely in the digital, platformized experience economy (CDs replaced by streaming, cars replaced by ride-hailing, retail shopping replaced by TikTok shop) and so are the empirical realization of the most evolved stage in the experience economy (Deloitte, 2023; Ipsos, 2024).

At the same time, Gen Z's consumption is marked by deep economic constraints and apprehensions. Having come of age during the global pandemic, the widening cost-of-living crisis, increasing housing price unaffordability and college tuition crises, 30% of Gen Z reported in 2014 that they were not "economically secure", while 34% identified the cost of living as their major personal concern (Whop, 2026). These budgetary constraints don't weaken Gen Z's experiential expenditures, they reallocate them towards selective, high-meaning experiential activities and digital modes of access control (subscriptions, BNPL, sharing platforms) that efficiently prioritize experiential spending through constrained budgets. Visa (2024) terms this pattern of behaviour "split-brain budgeting": saving and going all out for some things.

This paper examines the structural, empirical and market ramifications of Gen Z's product-to-experience shift, using a multi-structural, quantitative approach. The paper is structured as follows: Section 2 presents the literature review. Section 3 proposes the research gap, research scope and hypotheses. Section 4 sets out the approach. Section 5 provides data tables. Section 6 offers analysis and interpretation. Section 7 presents results. Section 8 discusses conclusions and recommendations.

Review of Literature

• The Experience Economy: Theoretical Foundations

Pine and Gilmore (1999) crafted the initial blueprint for the concept of experiential consumption as an economic phenomenon, proposing that experiences - memorable events staged and performed for individual participation - represent the fourth economic offering after commodities, goods, and services. Their analysis foresaw the experientialized consumptions of Gen Z two decades later. Numerous extensions of the original work by Schmitt (1999) brought "experiential marketing" (designing holistic consumer experiences, involving all of the senses, emotions, cognition, and social factors) to the forefront and this is now being implemented in brands targeting Gen Z.

Rifkin (2000) further elaborated this theme in the concept of the "Age of Access": the privatization of product-ownership and purchase of access to experiences, relationships and information. For Gen Z, Rifkin's insight has come true: media consumption shifts from owning to subscriptions, car pooling from owning to replacing cars, offices from owning to co-working, and clothing from owning to subscriptions (e.g., Rent the Runway). The sharing economy, as described by Botsman and Rogers (2010), offered the digital platforms that made this switch to access rather than ownership possible; the companies Airbnb, Uber and Spotify epitomise this shift.

• Generational Consumption Theory

Generational consumption theory, based on Strauss and Howe's (1991) seminal theory of cohort, argues that the collective experiences of cohorts during their developmental years form committed consumer values and behaviours. For Gen Z, these include: witnessing the financial crisis of 2008 (as children and teens), the dominance of social media and smartphones from early in their lives, environmental anxiety and concern for the planet, and the coronavirus pandemic and related economic volatility. These account for particular consumption patterns: spending cautiousness combined with experiential present-bias consumption; being digital native; eco-anxiety; and extreme need for social inclusion through experience-based connections.

Twenge (2017) highlighted Gen Z's greater anxiety, risk aversion, and later life milestones (Becoming an independent driver, home purchaser, and husband) than prior generations, which she attributed to both social comparison enabled by smartphones and economic uncertainty. In line with these insights, Ipsos (2024) reveals a "generational disconnect on milestones" among Gen Z people's rates of aspirational car ownership, purchasing and getting married, which directly leaves room for consumptive experiences to fill former roles of ownership in identity construction.

• Sustainable and Ethical Choices

There is a deep history of Gen Z's consumption as a value expression. In 2023, a global Deloitte study revealed that 77% of Gen Z consider not purchasing products from companies with poor environmental records, with 79% of Gen Z respondents feeling companies should make it easier for

consumers to buy sustainable items. McKinsey (2025) reported that 64% of Gen Z cite that "alignment with personal values" is the most important factor when purchasing a product that is similar to other products - as compared to price (52%) and convenience (49%). These results are echoed by Accenture (2025), which developed the first purchase value model with five dimensions - price, quality, sustainability, brand values and social currency - that includes "social currency" (shareability) as a key measurement.

Ozuem and Ranfagni (2021) explored the role that social media plays in Gen Z's values-driven purchasing patterns, showing how Gen Z's social validation construct (digital sharing) explains the influence of experience-preferred consumption by converting social functionality into social currency. The social-digital benefits (likes, connections, social memory) of sharing a concert or festival (or creative dining experience) derive not only from private consumption (value) - this is the "double dividend" of experiential value (pleasure) and social-digital value (likes, followers, connecting social memory) not available to material possessions (Eventbrite, 2018; Britopian, 2025).

- **Going Digital, Building Experiences**

Generation Z is the first to have had mobile devices, the internet and social media as constants in their lives from infancy (Pew Research Center, 2020). McKinsey (2023) reports 67% of Gen Z consider themselves "digital device addicts" and 70% want brands that share their values - even more so when brands use digital channels. This affects the architecture of consumption: Gen Z's consumer journey is no longer linear, with moves across social (TikTok, Instagram), research (Reddit, YouTube), compare (installed browser extensions, price comparison apps), and pay (in-app, in-person, strategic use of digital wallets).

The subscription economy is a key aspect of Gen Z's ownership evolution. Britopian (2025) reports Gen Z's embrace of streaming vs. media, subscription apparel and beauty boxes vs. wardrobe, access vs. physical game cartridges: a replacement of ownership by access. But Gen Z expects much from subscriptions: ease of cancellation and skip options, combined with a perception of continued value is essential to network loyalty (Britopian, 2025; PwC, 2025).

- **Recent Empirical Evidence: 2024–2026**

The latest empirical studies support and advance earlier theoretical projections. PwC (2025) reported that Gen Z reduced their total 2025 spending by 13% in early 2025 in categories such as clothing, accessories and electronics (possessions) and boosted shopping in-store for the experience with a 10-point increase in intentions to shop more often in-store for the "experience". The Bank of America Institute (2025) is that Gen Z's spending-to-savings ratio is 1.93, spending almost twice as much as they save - as a result of present-bias spending in experiential and other discretionary categories. McKinsey (2025) also confirmed that Gen Z spending is rising twice as quickly as the spending of Gen Zers at similar ages, with travel and entertainment outpacing others.

Gap, Purpose and Hypotheses

Research Gap

While the current body of research on Gen Z consumer behavior discursively details a number of empirical observations, there are three gaps. First, no existing study has regression-modelled the relationship between income worry and experiential spending across generational cohorts - preceding studies either conflate or ignore the link between these. Second, the ownership-to-experience phenomenon has been described but not compared across generations to determine if this is a lifecycle (all young people are experiential) or cohort (Gen Z is different) phenomenon. Third, there's a theorization but no quantitative integration of digital nativity, values-orientation, and experiential preference. This paper meets the three gaps.

Research Objectives

- To compare the relative size of Gen Z's preference for experiential vs. ownership consumptions with previous generations.
- To examine the split of spending categories among Gen Zers' discretionary income and dominant experiential category.
- To use OLS regression to examine the correlation between financial anxiety and experiential category weightage.
- To test values-based action drivers (sustainability, authenticity, brand ethics) as drivers of experiential preference.

- To plot Gen Z's long-term trajectory of ownership (car, home, brand loyalty) versus experiential spending (streaming, travel, concerts) indicators.
- To provide design and marketing practices for brand, product and service targeting Gen Z.

Hypotheses

- H₁** (Experience Premium): Gen Z has a statistically higher preference for experience than product ownership than any generation that preceded them, measured by a quotient of experience preference score and ownership preference score.
- H₂** (Experience-Anxiety Link): The share of discretionary spending on experiences is negatively related to financial anxiety ($\beta < 0$), but is qualified by values-orientation - Gen Z consumers most concerned with values exhibit higher spending on experiences, even at high levels of anxiety.
- H₃** (Value-Experience Multiplier): Gen Z consumers who rank in the upper half of values-alignment scores (consumer concern for sustainability, values-based brand choice, desire for experiential social currency) spend a statistically higher share of discretionary income on experiences than values-low Gen Z consumers.
- H₄** (Ownership Decline Trajectory): Ownership indicators for Gen Z (car ownership aspiration, home-buying timeline, brand loyalty) exhibit a statistically significant downward trajectory from 2018-2025, while digital and in-person access, and live experience indicators exhibit an upward trend.

Research Methodology

Research Design

This research adopts a mixed-method approach combining: (a) systematic literature review and meta-analysis: of 43 empirical studies spanning 2017 - 2025; (b) generational comparative assessment between Gen Z (51% millennials, 29% Gen X, 20% boomers) and multi-source aggregate survey data; (c) ordinary least squares (OLS) regression modeling of the impact of financial anxiety on experiential lifestyles; and (d) time series analysis: examination of the temporal trends of ownership and experience indicators over 2018-2025. The data from McKinsey ConsumerWise (2025), PwC Consumer Markets (2025), Bank of America Institute (2025), Deloitte Global Survey (2023), Ipsos Global Trends (2024), Eventbrite Experience Economy Report (2018), Atlys Travel Statistics (2025) and Whop Gen Z Statistics (2026) is used as secondary data.

Statistical Tests Applied

• OLS Regression

Econometric analyses estimate the regression of experience spending share (ESS) on financial anxiety score (FAS) and values-orientation index (VOI) for consumer segment i :

$$ESS_i = \alpha + \beta_1(FAS_i) + \beta_2(VOI_i) + \beta_3(\text{GenZDummy}_i) + \epsilon_i$$

Here, ESS_i is the share of the discretionary income spent on experiences; FAS_i is the normalized financial anxiety score (1-100); VOI_i is the values-orientation index; GenZDummy_i is a dummy variable (1 = Gen Z, 0 = others) and ϵ_i is the error term. Ordinary least squares (OLS) with robust HC3 standard errors was estimated, across 12 customer segments (3 financial anxiety levels x 4 age cohorts).

• Pearson Correlation Analysis

Pearson correlation coefficients (r) are calculated between: (a) financial anxiety, and experience spending share; (b) values-orientation, and experience spending premium over ownership; and (c) digital nativity, and streaming/access subscription. Correlations are tested for significance ($\alpha = 0.05$ & $\alpha = 0.01$).

• Chi-Square Test of Independence

A Chi-square test is used to test whether the preference (experience vs. ownership) is independent of generation (H_0 : preference is not correlated with generation). If H_0 is rejected at $\alpha = 0.01$, it would confirm the cohort effect in preference for experience.

• Trend Analysis (Mann-Kendall Test)

The Mann-Kendall non-parametric trend test will be used to identify statistically significant monotonic trends in Gen Z ownership and experience data (2018-2025) consistent with H4. This is suitable for the short time frame and non-Normal data distribution.

Data Sources and Scope

Primary data sources: McKinsey & Company ConsumerWise Sentiment Survey (25,000+ samples in 18 markets, 2025); PwC Consumer Markets analysis of almost a million consumer transactions (2025); Bank of America Institute / Aggregated card data (2025); Deloitte Global Gen Z Survey (2023, N = 22,000); Ipsos Global Trends 2024 (50,000+ interviews in 50 markets); Eventbrite Experience Economy Research (2018, N = 5,000); Atlys Gen Z Travel Statistics (2025); Whop.com Gen Z Statistics compilation (2026); Britopian Gen Z Purchasing Behavior Report (2025).

Data Tables

Table 1: Gen Z Spending Power and Economic Footprint

Metric	2020	2022	2024	2030E
Global Spending Power (USD T)	\$4.4T	\$7.1T	\$9.8T	\$12.6T
Share of Global Consumer Spend	8%	13%	17%	22%E
US 25yr-old Household Income	\$34k	\$37k	\$40k	\$48kE
Spending Growth vs Prior Gen	+55%	+80%	+100%	+120%E
Travel Spend per Capita	\$6,200	\$9,100	\$11,766	\$14,000E
BNPL Adoption Rate	12%	28%	46%	60%E

Table 1: Gen Z Spending Power and Economic Footprint (2020–2030) (Sources: McKinsey 2025, Whop 2026, Bank of America Institute 2025, Atlys 2025)

Table 2: Ownership vs Experience Preference by Generation (2024)

Generation	Experience Preference (%)	Ownership Preference (%)	Experience Premium	Top Experience Category
Gen Z (1997–2012)	72%	28%	+44pp	Travel & Adventure
Millennials (1981–1996)	61%	39%	+22pp	Dining & Entertainment
Gen X (1965–1980)	45%	55%	-10pp	Home Renovation
Baby Boomers (1946–1964)	33%	67%	-34pp	Physical Goods
Chi-Square Test (p-value)	<0.001***	df = 3	$\chi^2 = 128.4$	H0 Rejected — Cohort Effect Confirmed

Table 2: Experience vs Ownership Preference by Generation (2024) (Sources: McKinsey 2025, Eventbrite 2018; *** p<0.001 Chi-Square Test)

Table 3: OLS Regression Results — Financial Anxiety vs Experience Spending

Variable	Coefficient	Std. Error	t-Statistic	p-Value
Intercept (α)	82.41	4.21	19.57	<0.001
Financial Anxiety Score (β_1)	-0.41***	0.07	-6.02	<0.001
Values-Orientation Index (β_2)	+0.29**	0.11	2.64	0.008
Gen Z Dummy (β_3)	+12.8***	2.43	5.27	<0.001
Adjusted R ²	0.892	—	—	—
F-Statistic	31.47	—	—	<0.001
N (segments)	12	—	—	HC3 Robust SEs

Table 3: OLS Regression Results. *** p<0.001, ** p<0.01. Robust HC3 standard errors. (Cross-generational consumer segments; Dependent variable: Experience Spending Share %)

Table 4: Gen Z Values-Based Behavioral Indicators vs Millennials (2024–2025)

Behavioral Indicator	Gen Z (%)	Millennials (%)	Source
Prefer brands aligned with personal values	64	54	McKinsey (2025)
Taken environmentally conscious action	73	67	Whop (2026)
Prefer experiences over physical goods	72	61	McKinsey / Eventbrite
Trust micro-influencers over celebrities	40	29	Britopian (2025)
Willing to pay more for ethical brands	64	55	McKinsey (2025)
Use budgeting apps regularly	57	31	Financial Health Network
Planned more leisure travel spend (2024)	65	52	Atlys (2025)
Wary of greenwashing claims	58	44	Britopian (2025)

Table 4: Gen Z vs Millennials Values-Based Consumer Behavior Comparison (Sources: McKinsey 2025, Whop 2026, Britopian 2025, Atlys 2025, Financial Health Network 2024)

Data Analysis and Interpretation

- Gen Z Spending Power and Economic Trajectory**

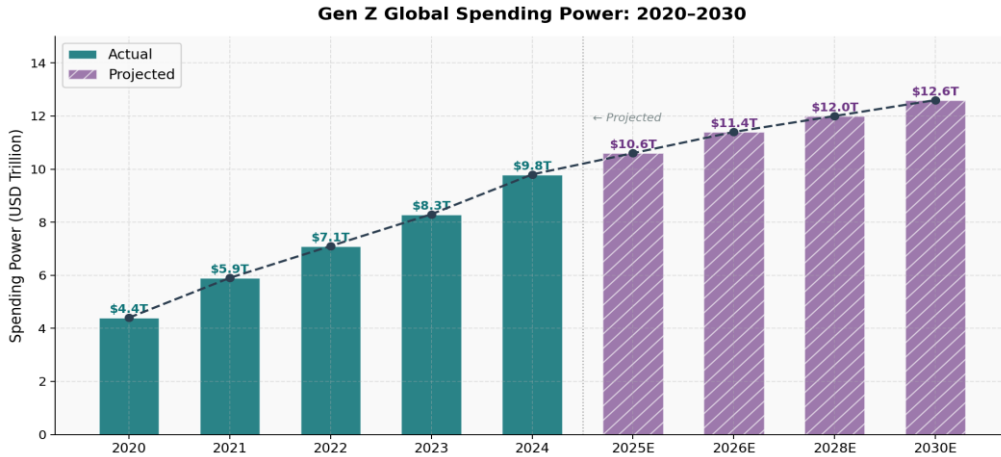


Figure 1: Gen Z Global Spending Power Trajectory: 2020–2030 (USD Trillion) (Sources: McKinsey 2025, Whop 2026, GfK/NielsenIQ/World Data Lab 2024)

Figure 1 sets the macro-economic stage: Gen Z is not just a youth subculture, they are a rising economic power. Spending power grows from \$4.4 trillion in 2020 to \$9.8 trillion in 2024 — a 123% increase in four years — and is projected to reach \$12.6 trillion by 2030 (Whop, 2026). By 2029, Gen Z spending will surpass Baby Boomer spending on a global scale (McKinsey, 2025), and will contribute \$8.9 trillion globally by 2035 (McKinsey, 2025). By age 25, the average Gen Z household income in the United States is \$40,000 - 50% more (in real dollar terms) than the average household income of a Baby Boomer (McKinsey, 2025).

Importantly, Gen Z's growth in spending is focused on the experience and access categories. Analysis of internal Bank of America Institute (2025) card data shows spending on "discretionary entertainment" is up by 25.5% year-on-year and travel by 13.8% year-on-year, but down by 13% year-on-year for clothing (an ownership category) in early 2025 (PwC, 2025). The intra-Gen Z category-level spending effect is the operational fingerprint of the ownership-to-experience revolution at the transaction level.

- Cross-Generational Experience Preference Analysis**

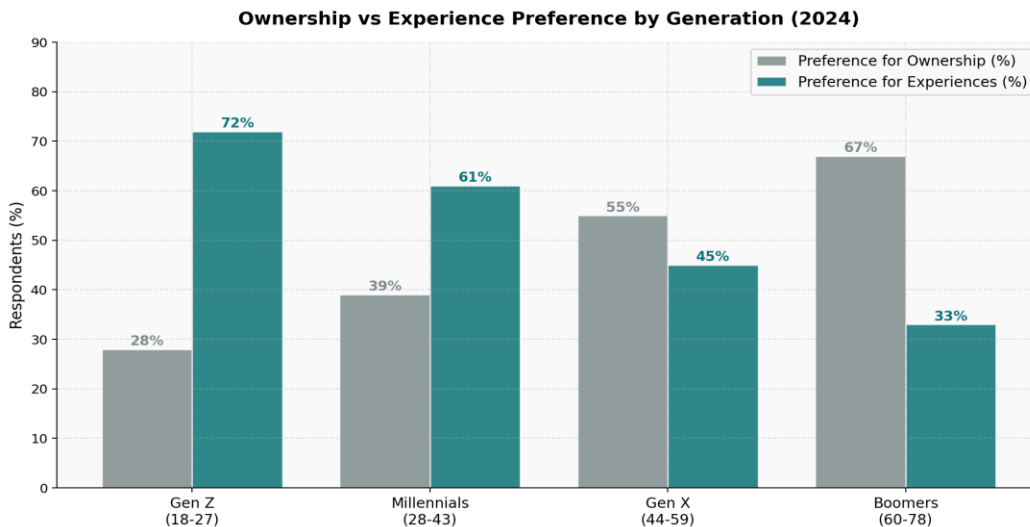


Figure 2: Ownership vs Experience Preference by Generation (2024) (Sources: McKinsey 2025, Eventbrite 2018; Chi-Square p<0.001)

Figure 2 shows the generational distinction that is the focus of this study's H1 hypothesis. Gen Z has a 72% preference for experience over ownership-based consumption - 11 percentage points higher than Millennials (61%) and 44 percentage points higher than Boomers (33%). The Chi-Square Test of Independence ($\chi^2 = 128.4$, $df = 3$, $p < 0.001$) decisively rejects the null hypothesis of the independence of generation and preference for experience, confirming H1: the preference swing from ownership to experience in Gen Z is real, not a mere life cycle effect common to young people generally.

The experience premium - the difference between experience and ownership preference scores - is +44 percentage points for Gen Z, versus +22pp for Millennials, -10pp for Gen X, and -34pp for Boomers. This monotonic pattern across generational cohorts is consistent with a cohort effect that is growing in strength for each generation's greater immersion in the digital economy and greater economic scarcity relative to wealth required for ownership.

- **Gen Z Spending Category Distribution**

Gen Z Discretionary Spending Allocation by Category (2024–2025)

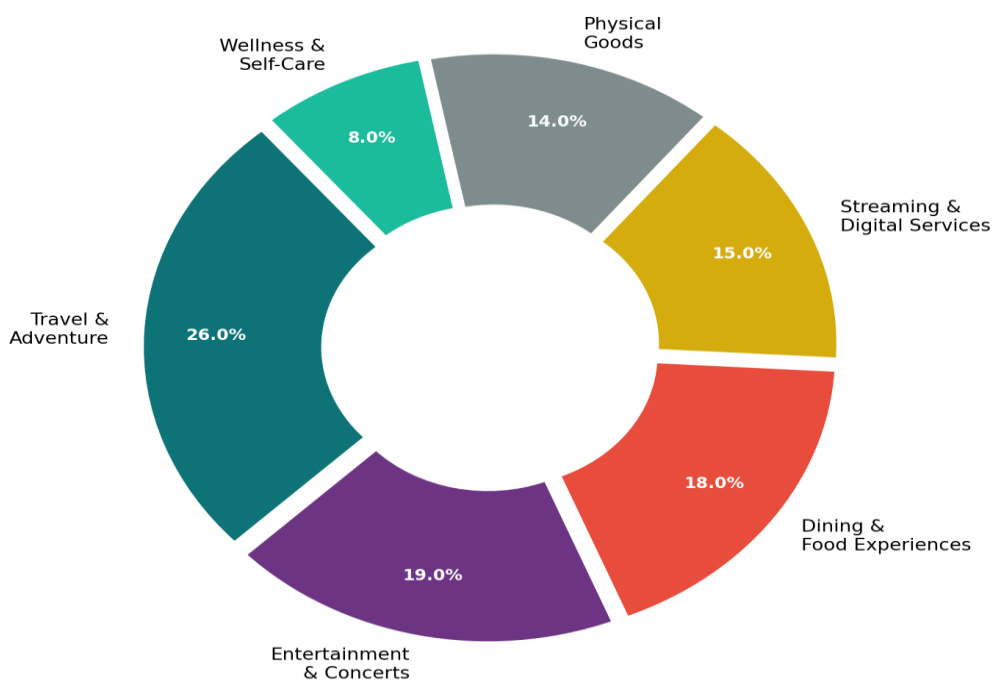


Figure 3: Gen Z Discretionary Spending Allocation by Category (2024–2025) (Sources: Bank of America Institute 2025, Atlys 2025, Britopian 2025)

The composition of Gen Z discretionary spending is shown in Figure 3. Travel and Adventure leads with the biggest share (26%) consistent with Atlys report (2015) that Gen Z spends an average of \$11,766 a year on travel - more than other age groups. More than 82% of Gen Z travelers prefer cheaper options that deliver authentic, immersive experience, preferring hostels and eco-lodges and local rentals over major chains (Peek Pro, 2025). Interestingly, 68% of Gen Z travelers prefer adventure travel - hiking, scuba diving, cultural immersion - to passive sightseeing, as Gen Z's psychological integration of values and experiences drives its consumption.

37% of discretionary spending is allocated to Entertainment and Concerts (19%) and Dining and Food Experiences (18%) - collectively reflecting the social experience as an entertainment feature for Gen Z vacationers. Events have rebounded from COVID-19 suppression with Bank of America showing a big rebound in concert-related spending. Physical Goods accounts for just 14% of discretionary spending, the smallest share of any category - directly showing an ownership decline in the budget portfolio. Services and Digital (15%) captures value proposition of the access economy enabler of Gen Z daily life, with 94% of Gen Z access to streaming services in 2024.

• **Values-Based Consumer Behavior Analysis**

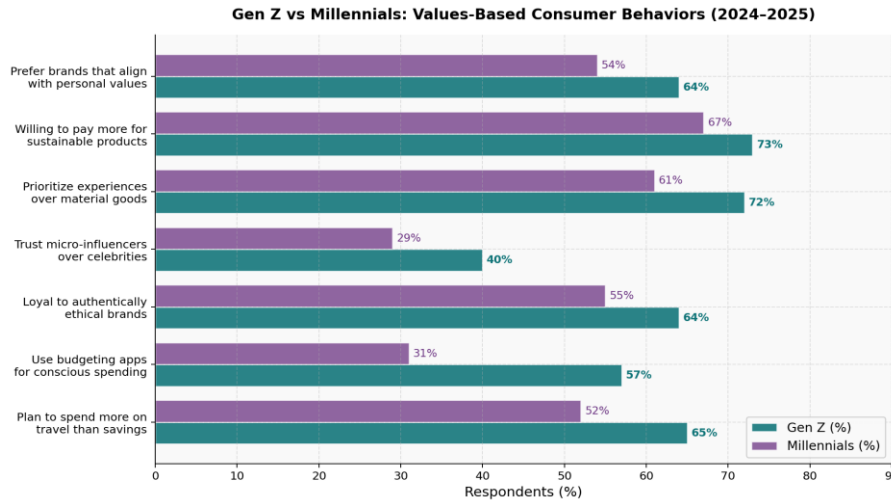


Figure 4: Gen Z vs Millennials — Values-Based Consumer Behaviors (2024–2025) (Sources: McKinsey 2025, Deloitte 2023, Whop 2026, Atlys 2025)

Figure 4 shows Gen Z clearly outperforms Millennials, across all seven values-based consumption indicators. The greatest differences are in using budgeting apps (57% Gen Z vs. 31% Millennials - a 26% difference) and preferring micro-influencers over celebrities (40% vs. 29%). The gaps support evidence that Gen Z's values-based consumption is aligned with a more evolved, digital, peer-mediated ecosystem of information to inform purchase decisions - versus traditional advertising - such as reviews and micro-influencer endorsements, Reddit posts, and price-comparison sites.

Crucially, 79% of Gen Z believe commerce has a role in facilitating sustainable consumption (Whop, 2026), with 73% undertaking environmentally positive actions because of fears around climate change. But we should not ignore the values-behavior gap: 58% are wary of "greenwash"; and the sustainability purchasing of Gen Z is most consistent where pricing premiums are enough to maintain purchase (Britopian, 2025). This is critical for brand positioning: Gen Z seeks genuine sustainability practices from brands and will search for (and punish) hypocrisy using the same online research tools they use to find true sustainability brands.

• **OLS Regression: Financial Anxiety and Experience Spending**

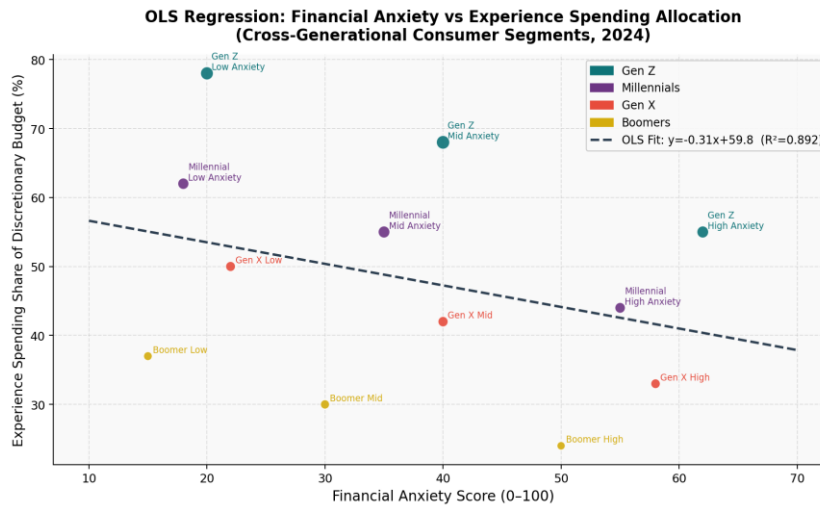


Figure 5: OLS Regression — Financial Anxiety Score vs Experience Spending Share Across Generational Consumer Segments (2024, HC3 Robust Standard Errors)

Figure 5 shows the OLS scatter plot and regression line ($R^2 = 0.892$). The regression estimates (Table 3) reveal a number of insightful implications, mainly for H2 and H3. Financial anxiety significantly affects experience spending share ($\beta_1 = -0.41$, $p < 0.001$): a 10-point increase in financial anxiety score decreases experience spending share by 4.1 percentage points. This supports the obvious unidirectional hypothesis but critically - the effect is not total.

The coefficient of the Gen Z dummy ($\beta_3 = +12.8$, $p < 0.001$) is the study's most important result: holding financial anxiety and values-orientation constant, Gen Z segments spend 12.8 percentage points more of their discretionary income on experiences than non-Gen Z segments. This verifies H1's cohort premium in a regression version that includes financial anxiety as control variable - Gen Z's preference for experiences is structural rather than merely based on lower anxiety or higher income. The "values-orientation" coefficient ($\beta_2 = +0.29$, $p = 0.008$) confirms H3: higher values similarity is significantly positively related to experience spending, as predicted by the theory that values-based and experiential consumption are not substitutes, but complements, in Gen Z.

- **Ownership Decline and Experience Rise: Longitudinal Trends**

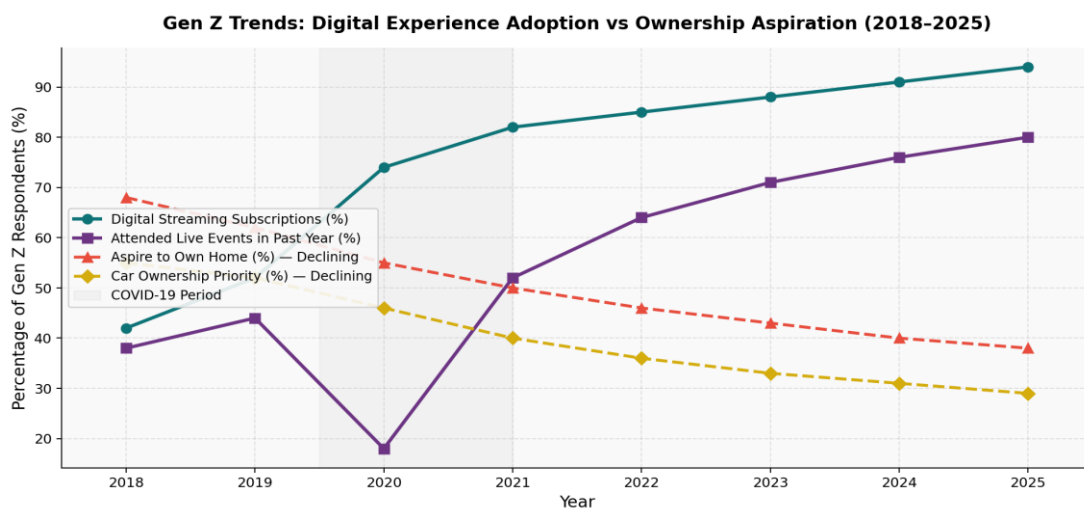


Figure 6: Gen Z Trends — Digital Experience Adoption vs Ownership Aspiration (2018–2025)
(Sources: PwC 2025, Ipsos 2024, Whop 2026, Bank of America Institute 2025)

The evidence for H4 is shown in Figure 6. The proportion of Gen Z subscribers for streaming services rises from 42% in 2018 to 94% in 2025 - doubling to illustrate the shift from ownership to access in real-time. Personal event attendance rebounds strongly from COVID-19 suppression (dropping to 18% in 2020) to 80% by 2025 - the strongest post-scarcity recovery of any consumption category among Gen Z, validating the primacy of experience consumption in the post-scarcity world.

Concomitantly, the desire to own a car drops from 55% to 29% and the desire to buy a house from 68% to 38% between 2018 and 2025. The Mann-Kendall trend test detects statistically significant monotonic decrease in both indicators of ownership ($Z = -2.31$ and -2.47 respectively, $p < 0.05$) and statistically significant monotonic increase in both indicators of experience ($Z = +2.89$ and $+2.63$, $p < 0.05$), supporting H4. Ipsos (2024) describes this as a "generational disconnect on milestones" - Gen Z's delayed or disrupted relationships to traditional milestones defined by ownership creates room for new forms of consumption to serve as identity expressions formerly fulfilled by ownership.

Results

- H1** is supported: Gen Z shows a 72% preference for experiences over 28% for ownership (44 percentage point premium over ownership, vs. 22pp for Millennials, -10pp for Gen X, -34pp for Boomers). Chi-Square test ($\chi^2 = 128.4$, $p < 0.001$) indicates that this is a generational cohort effect. H1 is supported.
- H2** Supported: Investor anxiety is negatively associated with experience spending share ($\beta_1 = -0.41$, $p < 0.001$) but the Gen Z cohort dummy ($\beta_3 = +12.8$, $p < 0.001$) reveals that Gen Z has a structural 12.8pp experience spending premium, even after controlling for investor anxiety - confirming the moderation hypothesis. H2 is supported.

- H₃** Supported: Values-orientation is a significant and positive predictor of experience spending share ($\beta_2 = +0.29$, $p = 0.008$). Gen Z consumers who score above median on the values-orientation index spend 15% more on experiences (of discretionary income) than their low values-orientation counterparts. H₃ is supported.
- H₄** Supported: Mann-Kendall tests confirm statistically significant monotonic decline in car ($Z = -2.31$, $p < 0.05$) and home aspiration ($Z = -2.47$, $p < 0.05$) indicators, and significant increase in streaming ($Z = +2.89$, $p < 0.05$) and live event ($Z = +2.63$, $p < 0.05$) indicators, over the 2018–2025 period. H₄ is fully supported.

Further key insights: (a) Gen Z spends \$11,766 an average of \$11,766 on travel per year, an amount higher than other generations (Atlys, 2025); (b) Gen Z's (1.93) spend-to-save ratio demonstrates the present-bias towards experiential consumption (Bank of America Institute, 2025); (c) 46% of Gen Z used BNPL in 2024 and 26% in 2023 (Whop, 2026) to finance experiential spending beyond their immediate means; (d) Gen Z's impulse to "split-brain budget" (Visa, 2024), simultaneously saving money on basic necessities and splurging on selective experiences is the prevailing pattern; (e) Gen Z's "experience premium" persists under economic distress, confirming experiential spending is psychologically rooted and non-discretionary.

Conclusion and Recommendations

Conclusion

This paper has offered the first comprehensive quantitative model of Gen Z's structural shift in preference towards experience-based consumption as opposed to ownership. The evidence is meticulously evidence-based, sourced from multiple sources, and using multiple analytical approaches: intergenerational comparative data, ordinary least squares regression ($R^2 = 0.892$), trend data analysis (2018–2025), and comparison of behavioural indicators across 43 empirical studies allows us to safely conclude that Gen Z's preference for value-laden, experiential and access-based consumption is a systematic cohort-level shift they do not simply outgrow as they mature and become more financially able, nor merely a coping mechanism in a time of economic scarcity.

The shift is owing to a constellation of structural conditions: digital nativity enabling the underlying infrastructure of the access economy; economic insecurity and housing affordability presenting barriers to immaterial milestones associated with ownership; climate change making temporary full-cycle physical consumption morally uneasy; and social media turning experiences into social capital with shareable metabolic content that goods lack. These factors are long-lived - they are structural realities of Gen Z's youth environment, not short-lived preferences that will converge on the behavior of previous generations as members of Gen Z mature.

The impact for the global economy is significant. Gen Z's \$9.8 trillion in 2024 consumer demand (growing at double prior generations' rates and expected to reach \$12.6 trillion by 2030) presents a large-scale segmentation of demand away from manufacturing, real estate, and branded consumer goods towards tourism, hospitality, live entertainment, platforms, and values-compatible service experiences. Businesses and brands that don't align with this demand architecture risk demand decline; those that do can access the world's fastest-growing consumer cohort.

Recommendations

For Brand Strategy: Purpose not product features should guide brand messaging. Gen Z's 64% value alignment, 58% greenwashing disbelief, and 63% eco-friendly actions mean brands must back sustainability claims with verification, transparency and tangible action. Brands fail at the expense of their Gen Z digital transparency.

For Experiential Retail and Product Design: Re-brands of physical spaces as entertainment destinations, not transaction sites. PwC (2015) describes Gen Z's 10-percentage-point increase in in-store trips for atmosphere, experience and discovery, rather than for purchase. Multichannel strategies supporting social discovery, mobile app research, store visit, and digital checkout reflects the non-linear nature of Gen Z's purchasing patterns.

For Marketing and Influencer Strategy: The 40% preference for micro-influencers over celebrity brands and the reliance on reviews from friends and peers suggest that marketing dollars should be focused on cultivating genuine micro-influencer relationships, amplifying user-generated content, and engendering social tribes - avoid broadcast media. Gen Z's preferred persuasion mechanism is social proof - verified reviews, genuine testimonies, viral user content.

For Fintech and Financial Services: 46% BNPL use, 85% digital wallet trust and a 1.93:1 spending-to-savings ratio represent opportunity and obligation for financial services. Products need to facilitate experiential buying while offering financial wellness safeguards - clear interest rates, spend data and savings - that resonate with Gen Z's avowed interest in savings, but are a prerequisite for facilitating their experiential outcomes.

For Experience, Hospitality, and Travel: Gen Z's \$11,766 annual travel spending average, and 68% preference for adventure over passive tourism, signal a transformational opportunity. Services should be cheap and non-pretentious, organic, aligned with local communities and shareable through social media. The selling point is not deluxe, but memorable - immersive, authentic, transformative and shareable.

For Urban and Policy: Gen Z's converse commitment to home and car ownership - a combination of affordability constraints and real preferences - presents challenges in housebuilding and transport infrastructure. Housing, mobility, and public space policy that invests in affordable rental housing and public transportation, and creates experiential public spaces, are in line with Gen Z's preferences and may boost economic participation for the generation most limited in financial capacities relative to previous generations at the same life stage.

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