



Generational Trends 2025

Gen Z and the Future of Payments

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Overview

Welcome to the world of Generation Z, where Wi-Fi is always on and the struggle of dial-up is just a quirky meme from the past. With a smartphone in one hand and a mobile wallet at the ready, they're not just moving away from traditional banking and credit products like loans and cheques—they're taking up digital wallets and contactless payments as their new go-to, making every tap and swipe count.

Why the focus on Gen Z's payment preferences?

Because they're not just using their money—they're shaping the spending habits of their entire families, influencing how financial transactions are conducted, and determining the future growth strategies of payment players.

As true digital natives, Gen Z integrates technology smoothly into every aspect of their lives. This group is leading the charge in adopting new payment technologies, and expecting speed, ease, and security as standard.

They're the ones tapping their phones for a morning coffee, splitting dinner bills digitally, or flashing a mobile ticket at gigs—setting trends that others follow.

Their comfort with mobile wallets and digital payments is prompting businesses to rethink their offerings, making convenience and user experience a top priority.

Gen Z's influence doesn't stop at the checkout. They're eager to try out new options, from fingerprint logins to blockchain-based payments, showing more curiosity and adaptability than older generations. Their preferences are shaping retail, where they want instant, almost invisible transactions, and influencing hospitality, where a slow payment process feels like a major interference.

This shift signals opportunities for retailers and merchants to capture loyalty by optimising the checkout experience across digital and in-store channels.

To stay relevant with Gen Z, businesses must move quickly to adopt tech that offers smooth and secure transactions. Getting this right means not just drawing in a key demographic but also setting the pace in a market that's all about being innovative and adaptable.

Everyday spending habits



34% of Gen Z shoppers use debit cards as their primary payment method.



19% turn to mobile wallets at grocery stores.



57% consider multi-currency wallets essential for their travel needs.



33% are interested in biometric payments, such as fingerprint or facial recognition.



41% are open to using wearable payment devices like smartwatches and fitness trackers.



Getting to know Gen Z

Generation Z—born between 1997 and 2012 and aged between 13 and 28 in 2025—makes up around 30% of the global population. They pack some serious purchasing power, with their annual global spending of nearly \$360 billion according to *Exploding Topics*. They've grown up with smartphones in their hands and social media at their fingertips, impacting how they connect, shop, and consume content.

On average, they spend around 10 hours a day connected online, and platforms like TikTok, Instagram and Snapchat aren't just places to scroll; they're digital marketplaces where trends are made, and purchases happen. Nearly 60% of TikTok's billion-plus users are Gen Z, demonstrating the platform's influence over what they buy and how they experience trends.

What makes Gen Z tick? Speed, relatability, and ease of use.

They're quick to try out new tech and are more likely than their elders to dive into virtual reality, blockchain payments, and live-streamed shopping events.

Personalisation matters too—78% prefer brands that offer tailored, seamless experiences, making it clear that a 'one-size-fits-all' approach won't cut it.

In social commerce and live commerce, Gen Z are trendsetters. By comparison, older generations lean more on recommendations from family or articles when deciding where to shop, while Gen Z turns to digital creators and peers. This generation sees influencers as trusted tastemakers rather than traditional advertisers, with their decisions shaped by creators who feel 'relatable' rather than aspirational.

In fact, according to *Global Web Index*, approximately 24% of global consumers have made purchases based on influencer recommendations, while this figure rises to 44% for Gen Z consumers. This difference highlights the significant impact social media has on their purchasing decisions. If brands want their attention, they'll need to meet them where they already are—online, in real-time, and with experiences that feel authentic and engaging. For this generation, digital isn't more than just part of life—it is life itself.



Gen Z in numbers

30%

of the global population belongs to Gen Z.

60%

of TikTok's users are Gen Z.

\$143 billion

projected annual spending power in the US alone.

80%

of Gen Z travellers book their trips using a smartphone.

10 hours

the average time Gen Z spends online daily.

28%

say influencer content directly impacts their purchase decisions.

How Gen Z likes to pay

Trolleys, taps, and tech

For Gen Z, the checkout process is not a simple transaction—it's part of the experience. They gravitate towards swiftness and simplicity, with 19% using mobile wallets (which store digital cash, card information, and other payment details for one-click transactions) at grocery stores, and 34% sticking with debit cards as their primary payment method.

But it's not just grocery stores where their preferences shine. In consumer electronics shops, debit cards remain a strong favourite at 34%, but 15% of Gen Z prefer mobile wallets even for higher-value purchases—a sign of their trust in digital-first methods. In fashion stores, the pattern is similar: 19% use mobile wallets, showing that simplicity and speed take precedence when updating their wardrobe.

Contactless payment options, digital loyalty schemes, and instant e-receipts enhance the appeal. Self-checkouts that accept mobile payments are a hit, and features like scanning apps that let shoppers bag as they go further boost convenience.

Cash remains a backup for 20% of Gen Z in grocery stores and 19% in fashion

outlets, but they're far less reliant on it than older generations. BNPL (buy now, pay later) is also creeping into the in-person experience. While small at just 2% for in-person payments, BNPL's presence is growing, reflecting its popularity for online transactions.

The message is clear: Gen Z shoppers want their transactions to be fast, intuitive, and tech-forward.



Merchant tip

Combine loyalty programmes with payment apps to create rewards that feel slick and personalised—especially in fashion and electronics stores where exclusive perks can drive repeat visits.



Merchant tip

Enable instant bill splitting directly from mobile apps to attract group bookings and increase customer satisfaction.

Dining & Social Payments

Whether it's grabbing a coffee or dining out, Gen Z seeks hassle-free experiences. Digital menus, app-based ordering, and mobile payments create a streamlined experience they love. They also expect flexibility in how they split bills with friends—making bill-splitting options a powerful draw.

While 29% of Gen Z diners still prefer debit cards, 15% are turning to mobile wallets to settle their tabs, showing their embrace of digital-first payment methods. In contrast, older diners are 41% more likely to use debit cards, reflecting a preference for familiar payment options. Interestingly, 20% still carry cash for hospitality spending, often as a backup for places that haven't fully embraced digital options.

Gen Z's expectations extend beyond ease of use though—they also want efficiency with a dollop of personalisation.

Venues that offer mobile pre-orders or app-based loyalty schemes get extra points for saving time during busy hours by streamlining the ordering process and tailoring rewards to their preferences

Whether it's earning points for their favourite latte or skipping the queue at lunchtime, these personalised perks will make customers feel valued.

QR codes for menus, ordering, and payments help create that frictionless experience. As early adopters of new payment technologies, Gen Z consistently embraces innovative methods to keep their social outings smooth and enjoyable.

For larger bookings, ease of bill splitting and digital payment requests via apps help reduce awkward moments at the end of group meals.

This generation doesn't want to worry about calculating their share—they expect a one-tap solution.

Tech-savvy travellers

Forget the one-size-fits-all holiday package—Gen Z demands personalisation and convenience.

They expect mobile-first booking systems, simple digital check-ins and payment options that match their tech habits.

57% of Gen Z travellers consider multi-currency wallets essential, reflecting their preference for flexibility when abroad. Biometric payments, like fingerprint recognition, appeal to those looking for speed and security during check-ins or airport payments. Their travel spending is also fuelled by flexibility, with many Gen Z travellers using BNPL to spread the cost of trips and experiences by allowing them to split purchases into interest-free instalments.

They also value spaces that offer connection—not just Wi-Fi, but social connections, too. Hotels that offer communal areas where guests can mingle are more likely to catch Gen Z's attention, especially



Merchant tip

Mobile payments and digital wallets that integrate currency conversion and loyalty rewards can streamline international bookings and elevate the travel experience.



Merchant tip

Explore live-streamed shopping events and creator partnerships to connect authentically with Gen Z and build a loyal customer base.

if those spaces come with digital perks like app-based room service or loyalty points they can redeem in real time.

From feeds to carts

For Gen Z, social media is where they discover, research, and buy with their favourite influencers and creators doubling as trusted product curators, who offer recommendations that feel personal rather than promotional. They want limited drops, behind-the-scenes insights, and deals that make them feel part of something special.

15% of Gen Z shoppers prefer using mobile wallets for hospitality and 19% already rely on apps like Apple Pay and Google Pay for retail purchases, showing their preference for fast, frictionless payments that fit easily into digital experiences. And 41% are open to trying wearable payments—a sign they're ready for even more integrated ways to shop and spend.

When they spot something they love, they expect to buy it easily—without ever leaving the app. In this age of swipe-to-buy, brands need embedded checkout options and personalised offers that hit the right note at the right time. The question isn't whether Gen Z will shop via social - it's whether brands can meet them with the speed and ease they crave.



Merchant tip

Integrating biometric security, wallet top-ups, and personalised rewards for in-app payments can build trust.

Tap, play, pay

In gaming, microtransactions, skins, and virtual currencies drive Gen Z's spending habits. This generation has embraced immersive experiences and expects payments to match that fluidity. Whether they're upgrading their avatars or buying exclusive in-game items, they want to be able to do it instantly and securely.

Security is key. PXP's research shows that 42% of Gen Z prioritise security when choosing payment methods, and they value two-factor authentication, biometric logins, and robust wallet protections.

When gaming, they expect the same level of reassurance they get when making larger purchases. The slicker and more secure the

in-game experience, the more likely they are to make additional purchases.

Ticket to go

Gen Z sways towards digital-first methods for last-minute gig tickets and concerts. For low-value tickets (£50 and under), debit cards (27%) and mobile wallets (16%) top their list, with the latter particularly favoured for the immediacy and ease they offer. As the value increases to mid-range (£51–£200), BNPL options (6%) also become part of the mix, helping them spread costs for pricier experiences.

Interestingly, for high-ticket purchases (£201+), Gen Z still prefers debit cards (24%) for control over spending, but credit cards (17%) and secure options like biometric payments see an uptick as they seek more reassurance for bigger investments.



Merchant tip

Offering embedded checkout options on ticket platforms, easy refunds, and loyalty points can create a winning combination that keeps Gen Z coming back for their next big purchase.



Payment priorities

34%

of Gen Z shoppers use debit cards as their primary payment method in grocery stores.

19%

of Gen Z prefer mobile wallets like Apple Pay and Google Pay for their grocery shopping.

57%

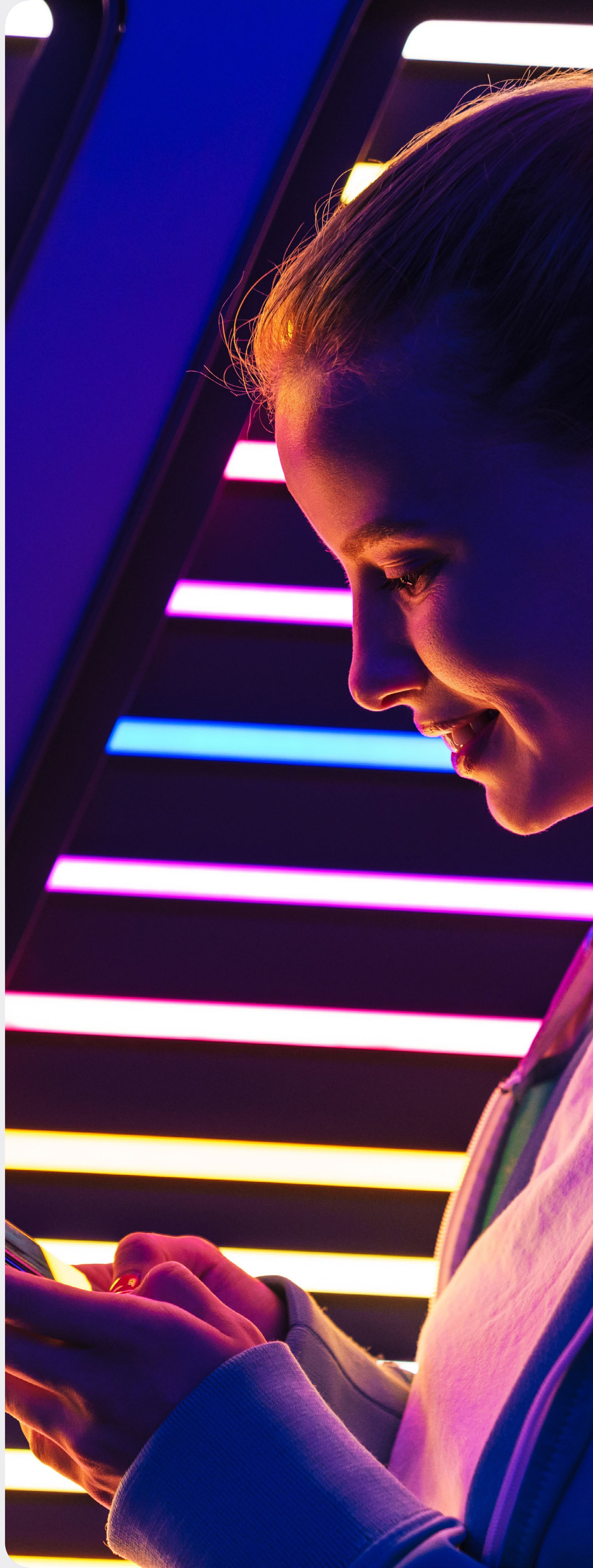
of Gen Z consider multi-currency wallets essential for their travel needs.

41%

of Gen Z are open to using wearable devices such as smartwatches and fitness trackers for payments

42%

of Gen Z rank security as the most important factor when choosing how to pay.



What's Next for Gen Z?

Smart security

For Gen Z, security isn't a bonus—it's a baseline. While they use digital wallets, in-app payments, and BNPL options, they want the reassurance that their details are protected. Our research shows that 42% of Gen Z prioritise security when choosing how to pay.

Features like biometric logins, two-factor authentication, and instant fraud alerts are top of the list. This generation is keen on innovations like biometric security, with 33% expressing interest in fingerprint or facial recognition payments.

Beyond the swipe

Gen Z's appetite for new payment experiences shows no signs of slowing down.

In gaming, virtual currencies and wearable payments are already in the mix, and 41% of Gen Z consumers are open to trying wearable payment devices like smartwatches.



Merchant tip

Implement advanced security measures that don't disrupt the payment flow. Look for features such as encryption, tokenisation, and robust fraud detection and prevention tools. These technologies enhance security by safeguarding transaction data.

The future? Think smart rings, key fobs, and even augmented reality (AR) payments in immersive retail spaces.

Live-stream shopping events are also expected to gain even more traction, with Gen Z expecting exclusive drops, interactive experiences, and one-click purchases directly from their feeds.

Social commerce and live commerce continue to blur the lines between entertainment and retail, with the rise of AR filters and virtual fitting rooms turning passive scrolling into active spending.

Pay like it's made for you

Forget generalised offers, Gen Z enjoys payment journeys tailored to their preferences.

78% of this demographic prefer brands that personalise their experiences, from loyalty schemes that reward individual behaviour to exclusive in-app discounts. Payment apps that provide predictive insights based on spending habits are set to become mainstream, helping Gen Z manage their finances while enjoying perks that feel personal.



Merchant tip

Cross-border shoppers expect transparency. Highlight fees upfront and integrate real-time currency conversion to simplify the payment process for international customers.

The global shift

With Gen Z's love for travel and online shopping across borders, international payments need to feel as effortless as local ones.

Multi-currency wallets, already a must-have for 57%, are becoming the norm, and cross-border BNPL options are emerging as a way to spread the cost of experiences and international purchases.

Digital-first banks and fintech apps offering real-time currency conversion and integrated budgeting tools have captured Gen Z's attention, with many favouring services that eliminate hidden fees and surprise charge.



Merchant tip

Offer customisable payment experiences—think personalised checkout screens, AI-driven purchase recommendations, and dynamic loyalty programmes that sync with their online and offline behaviour.

Sustainability: a rising priority

This generation is known for prioritising brands with ethical and sustainable values, and that extends to how they pay.

Payment methods that integrate carbon-offsetting features or support socially responsible causes are gaining traction. Gen Z wants to see a connection between

their spending and social impact, whether through micro-donations at checkout or rewards for eco-friendly purchases.



Merchant tip

Add optional donations at checkout or partner with payment providers that offer green rewards to align with Gen Z's values.

Gen Z's wishlist

- ✓ **42%** prioritise **security** in their payment methods.
- ✓ **33%** are interested in **biometric payments**.
- ✓ **41%** are open to **wearable payment devices**.
- ✓ **57%** want **multi-currency wallets** for international travel.
- ✓ **78%** prefer **personalised brand experiences**.

To understand Gen Z's payment preferences, PXP partnered with **Censuswide** to survey 2,000+ consumers aged 18+.

Censuswide follows MRS code of conduct and ESOMAR principles as a member of the **Market Research Society** and **British Polling Council**.

Additional Sources

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PXP is a tech platform that makes commerce simpler, better, and more connected. With just one connection to PXP, merchants can unlock a world of commerce across online, mobile, and point-of-sale channels. Powered by a suite of financial services, multiple acquiring connections—including an in-house acquiring license—and diverse alternative payment methods, PXP processes over €30 billion annually through our unified gateway.

Learn more about PXP at
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Connect once to our global commerce ecosystem to supercharge your growth by unifying payments, streamlining operations, and getting access to endless opportunities.

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tools you need to grow your
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