

# Gen Z, Social Commerce & the Future of Payments in Asia



## Risa Huang, the Head of Account Management APAC at Unlimit

Risa oversees client relations and merchant growth in the APAC region. She specialises in cross-border e-commerce and brings over 15 years of industry experience to her role.

Unlimit's mission is to deliver global solutions that enable businesses to operate locally and internationally with ease by eliminating financial borders.



*Reach out to our experts to discover the payment strategies that resonate with Gen Z in Asia!*

## As Gen Z becomes a significant consumer segment, what are their expectations around e-commerce shopping and payment experiences?

As we observe the digital landscape evolving across the APAC region, Gen Z has emerged as a transformative force in e-commerce with distinctly digital-first expectations. According to recent data, **85%** of Gen Z prefer cashless transactions. What's particularly interesting is that despite being digital natives, **69%** of Gen Z still opt for debit cards for daily or weekly purchases, showing a preference for immediate account deduction over credit options. Meanwhile, **64%** of Gen Z are willing to pay more for brands that align with their values, and nearly **6 in 10** Gen Z feel a connection with people who use the same brands that they do, reflecting their desire for authentic connections.

Their shopping behaviour is characterised by seamless integration between discovery and purchase, with **46%** prioritising quick and easy checkout experiences. Gen Z consumers are the most likely generation to embrace alternative payment methods, moving beyond traditional credit and debit cards to digital wallets and mobile payment solutions. With mobile commerce projected to reach **6.5 trillion USD** by 2025, their mobile-first mindset demands payment experiences that are not just functional but frictionless.

The depth of their payment expectations goes beyond mere transactional convenience. Gen Z seeks a holistic digital ecosystem that reflects their values of connectivity, personalisation, and global accessibility. Their vision of payments transcends traditional boundaries, demanding solutions that are not just technologically advanced but emotionally resonant and socially integrated.

## How are younger consumers shaping shopping behaviours within social commerce, and what payment strategies should merchants adopt to effectively engage them?

The social commerce revolution is particularly pronounced in the APAC region, where research indicates that **63%** of Gen Z consumers prefer social commerce and **57%** have a strong affinity for livestreamed shopping experiences due to the trust they place in influencers and reviews. In Southeast Asia, **70%** of Gen Z rely on social media as their main source for product research and purchases, marking a fundamental change where discovery, evaluation, and buying all happen within the same social environment.

To effectively engage this demographic, merchants must develop a seamless multi-channel payment infrastructure that keeps users within social platforms during transactions, avoiding disruptive redirects to external checkouts. Digital wallets have become essential, accounting for **74%** of e-commerce transaction value in the APAC region in 2024, with dominant players like WeChat Pay and Alipay in China, MoMo in Vietnam, and TrueMoney Wallet in Thailand. Tailoring payment options to regional and demographic preferences is critical.

Beyond offering diverse payment methods, merchants must provide flexible payment structures, such as subscriptions, buy-now-pay-later options, and instalment plans, to align with Gen Z's financial habits. Security is also paramount as digital payment use grows. Gen Z consumers prioritise fraud prevention and data protection. Merchants require robust security measures, such as multi-factor authentication and fraud detection, while maintaining a seamless user experience.

**Traditional e-commerce platforms are being forced to adapt or risk obsolescence as live shopping creates a more immersive and trust-building environment that static product listings cannot replicate.**

## With the rapid rise of live shopping in Southeast Asia, what impact do you think this model has on traditional e-commerce?

The rapid ascent of live shopping in Southeast Asia is fundamentally reshaping the e-commerce landscape, with video commerce now accounting for **20%** of e-commerce gross merchandise value (GMV), a dramatic increase from less than **5%** in 2022. This transformation is driving e-commerce growth to surge at **15%** year-on-year, propelled by the interactive and engaging nature of livestream shopping, which traditional static e-commerce platforms struggle to match. The Asia Pacific livestream e-commerce market, valued at **9.85 billion USD** in 2024, is projected to reach **172.08 billion USD**, demonstrating the explosive growth trajectory that's disrupting conventional online retail models. This shift is creating an entirely different consumer expectation, where shopping becomes an entertainment experience, offering real-time interaction and social validation all rolled into one.

Traditional e-commerce platforms are being forced to adapt or risk obsolescence as live shopping creates a more immersive and trust-building environment that static product listings cannot replicate. Social commerce in Southeast Asia is projected to reach **125 billion USD** by 2027, with influencer marketing now accounting for **20%** of all online sales, indicating that the integration of entertainment, social proof, and commerce is becoming the dominant model.

This transformation is particularly pronounced in Southeast Asia, where mobile-first consumers have readily adopted live shopping as a natural extension of their social media consumption habits. Traditional e-commerce models, which relied on search-based discovery and static product pages, are finding themselves at a disadvantage compared to platforms that offer dynamic, interactive, and socially driven shopping experiences. The rise of live event commerce has disrupted the status quo, forcing both traditional e-commerce platforms and social media companies to make strategic moves to better delight consumers while capturing market share in this rapidly evolving landscape.

### **In today's dynamic environment, how can merchants effectively stay aligned with evolving consumer behaviours and payment trends?**

The APAC social commerce market is projected to reach **625.93 billion USD** by 2025, growing at **8.1% CAGR**, making agility crucial for merchants operating in this dynamic environment.

To stay aligned, merchants must build flexible, data-driven payment infrastructures that can quickly adapt to emerging trends and consumer preferences. This involves implementing modular payment systems that can easily integrate new payment methods as they gain popularity in various markets, while leveraging real-time analytics to track the performance of payment methods across different demographics and regions.

The integration of artificial intelligence and advanced data analytics has become essential for merchants to maintain a competitive advantage in this rapidly evolving landscape. AI technology is already demonstrating a significant impact, with mobile payment platforms utilising AI to save **40%** of sales costs within one year, while machine learning algorithms are increasingly used to personalise customer experiences and detect fraud in real-time.

Merchants can leverage AI-powered predictive analytics to anticipate shifts in payment preferences, optimise conversion rates through personalised payment method recommendations, and enhance security through advanced fraud detection systems. Meanwhile, the rise in alternative currencies presents new opportunities, **with APAC leading stablecoin adoption and accelerating corporate payments, remittances, and trade settlements.**

As of January 2024, the APAC region accounted for **29%** of global digital currency value received. With Singapore doubling its crypto licenses in 2024, the region exemplifies how quickly new payment methods can gain mainstream traction when merchants stay ahead of regulatory developments and consumer adoption curves.