

*knit* 2022 Research Report

Gen Z vs Millennials

# Youth Metaverse & NFT Report

What the data actually says about the younger generations' preferences & behaviors surrounding these new digital spaces



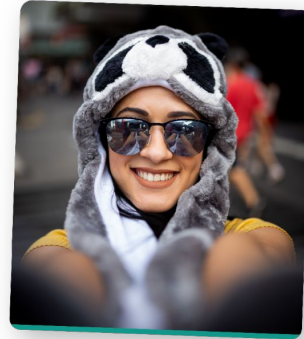
# About *knit*

Knit helps brands understand this next generation of consumers through **on-demand feedback from Gen Z & Millennials**. Get instant answers to your biggest youth consumer strategy questions and feedback on all your product or marketing ideas – by tapping into Knit’s youth consumer panel (the largest in the nation). Access both the “what” and “why” behind all your decisions through our extensive quant & qual solutions, and ensure you talk to your exact audience through our robust segmentation capabilities (geo, interests, and more).

## Trusted Youth Research provider of:



Moët Hennessy



Send to your entire Gen Z Panel?

225 Respondents

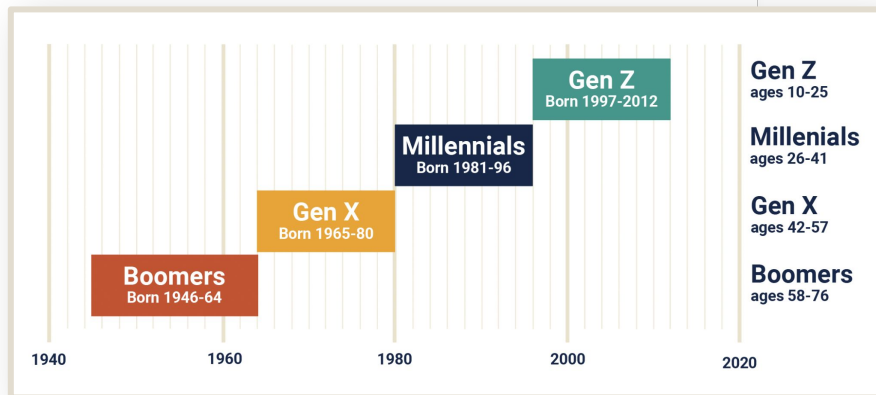
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More on Knit at: [goknit.com](https://goknit.com)

# About Gen Z

Generally speaking, anyone born after 1997 is a member of the most ethnically diverse, first **digitally-native** generation in the world. American Zs are social and environmental idealists, glued to their screens, and have a collective **estimated buying power of \$150 Billion** (and counting). That spending power will only grow as more members of Gen Z hit the workforce, and brands will meet the needs of this wholly unique - and largely untapped - market of consumers when they better understand their needs, ideals, and values.

## Generations Defined





## Bridging the Generations

Though Gen Z truly spans from ages 10-25, we found it best to apply a new layer to this report. Our work in analyzing this next generation never stops at the surface level – with our ability to **custom segment** on geographical, psychographic and behavioral dimensions, giving our partners the ability to dig deep into their true audience. So for this report, we thought it best to dig deeper into additional generational subgroups to truly understand the differences between these generations.

Throughout this report, you'll notice the following subgroups reported on and defined as:



**Gen Z: Ages 14-19**



**Zillennials: Ages 20-29**



**Millennials: Ages 30-41**





## Metaverse & NFT Report Intro: The Newest Generations Pushing New Frontiers

What a whirlwind the past few years have been – amirite?! When the world shut down during the pandemic, it seemed web3 and the future of digitization swept over the world nearly overnight. And heck, we'll call what came out of it somewhat of a digital zoo – with phrases like “Bored Apes” and “DogeCoins” becoming part of the everyday tech space’s vernacular.

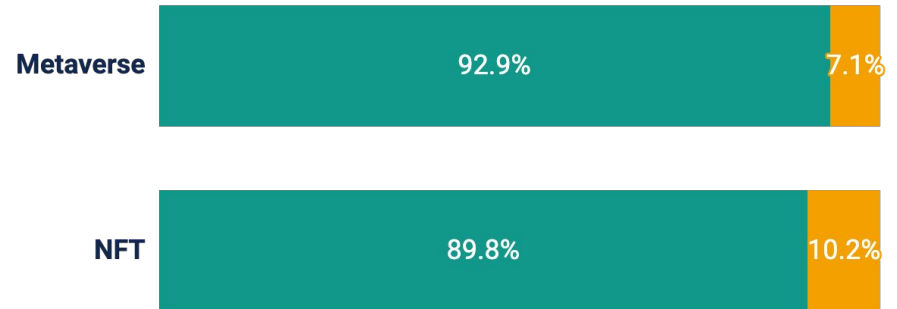
But in all seriousness, the world has begun to adopt technologies that were once just depicted in movies. Today, the Metaverse and NFTs have become household names, and are discussed in those same homes, often, on a weekly basis.

And that’s where we start our journey into the world of web3 and where it fits in with the world’s newest generations. A world where apparently both Gen Z’s and Millennials are all too familiar with. In fact, every single respondent surveyed within each generation is aware of both the Metaverse and NFTs. So with that, let’s jump in to see if their understanding goes beyond just awareness and see where their usage lies.



### Do these generations know what the Metaverse and NFTs are?

■ Yes ■ I've heard of it, but not sure what it is ■ No (0%)



## Section 1

# The Metaverse



## Hitting the sticks, buying the tix: Metaverse Usage by Vertical

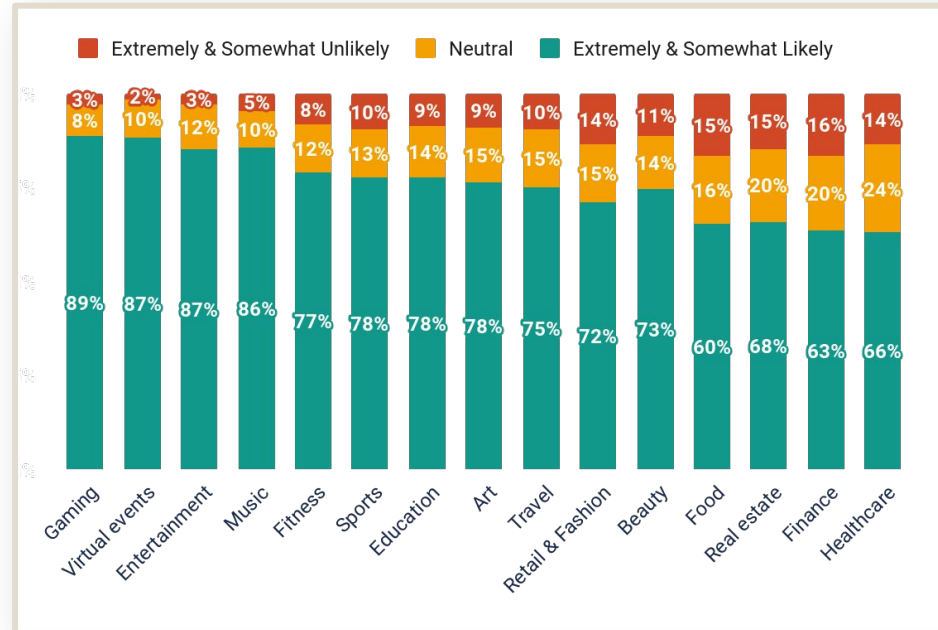
To kick off our coverage of Gen Z and Millennials' appetite for the Metaverse, we dive into the collective group's likelihood to use the space, broken down by verticals that typically "play" in this digital world.

In general, the most popular use cases were those that tapped into the Metaverse for its entertainment value (versus for its practicality). Gaming was identified as having the highest likelihood of adoption for all generations, followed closely by virtual events.

When digging into each generation, Millennials were significantly more interested in using the Metaverse than Gen Z and Zillennials across almost all categories. However, the youngest of the group – the true Gen Z-ers – were significantly more interested in gaming in the Metaverse than Zillennials and Millennials.



### Gen Z & Millennial likelihood to use the Metaverse





## You are now entering the Matrix. Metaverse Usage Frequency by Vertical

Now that we've covered off on their likelihood of usage, there's only one logical next question (one that you can apply more tangibly):

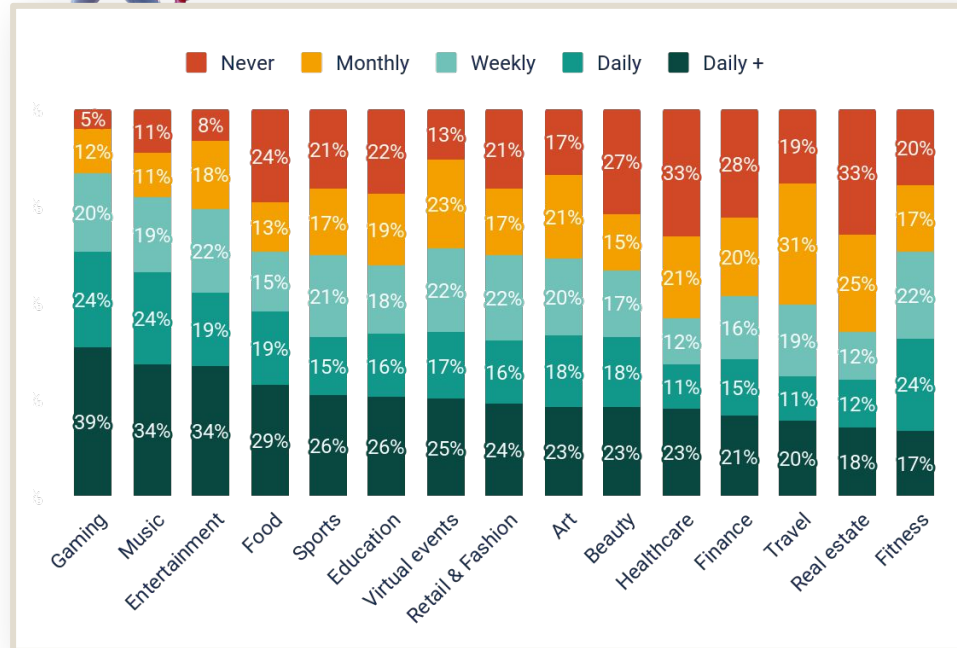
How frequently are these generations actually putting on that headset and engaging with their favorite types of content in the Metaverse?

The data was a bit eye-opening! 39% of all Gen Z and Millennial respondents spent more than a couple of hours a day gaming in the Metaverse, the most of any category. Gaming also had the highest daily usage (tied with Music and Fitness) at 24% of these populations.

A few spaces that were a little lagging? Healthcare and Real Estate. They each had the lowest rate of usage across both generations with 33% of respondents saying they "never" engage with those sectors of the Metaverse.



Gen Z & Millennial Metaverse Usage Rates



## But what's the bigger meaning... The Metaverse's Impact on Society

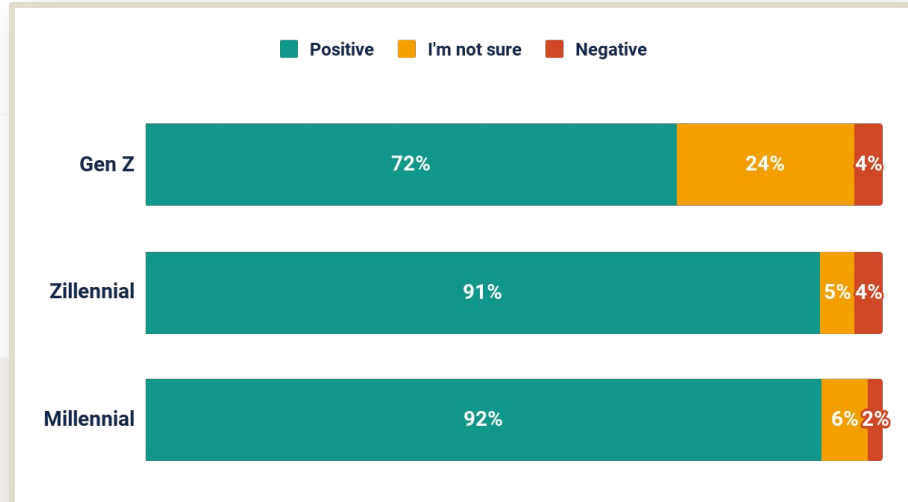
One major concern many have with the Metaverse is how will it impact society in the long haul... Of course, decades of films and media have illustrated the most heinous of outcomes that the technology can bring. We're looking at you Black Mirror...

But when we asked each of these age groups whether they perceived the Metaverse to bring about a positive or negative impact to society, the overwhelming majority all felt this technology will be a benefit to the world.

It is, of course, worth noting that the youngest of the groups (surprisingly, the group that's most ingrained in the digital world) were the most skeptical of the Metaverse, with 24% saying they aren't sure about the Metaverse's impact on society and an additional 4% believing it will bring about a negative impact.



### Perceived Societal Impact of the Metaverse





## Why the Metaverse will have a **positive** impact...

"It is the future of everything we know. With the Metaverse, we will have better communication and we will be more connected as humanity."

**Millennial Male**  
**Age 38**

"The idea of having or being in a virtual world from one's comfort zone is really commendable. It is like bringing the world to one's screen."

**Gen Z Male**  
**Age 25**

"It will open up a space for severely introverted people or people with mental health issues to be able to interact with others."

**Millennial Female**  
**Age 32**

"It will bring people together from all over the world in ways we didn't even know were possible until now."

**Gen Z Male**  
**Age 19**







## Why the Metaverse will have a **negative** impact...

"People will have less in-person social interactions, and it'll cause people to become more depressed."

**Millennial Female**  
**Age 33**

"It will make people unhealthy and addicted to electronics."

**Gen Z Male**  
**Age 18**

"I think people will forget that there is a real world out there. It could also create less jobs for people."

**Millennial Male**  
**Age 29**

"I think the Metaverse is a false dream. It already exists. It can't be forced."

**Gen Z Male**  
**Age 20**



## Great Scott, Marty! The Future of the Metaverse

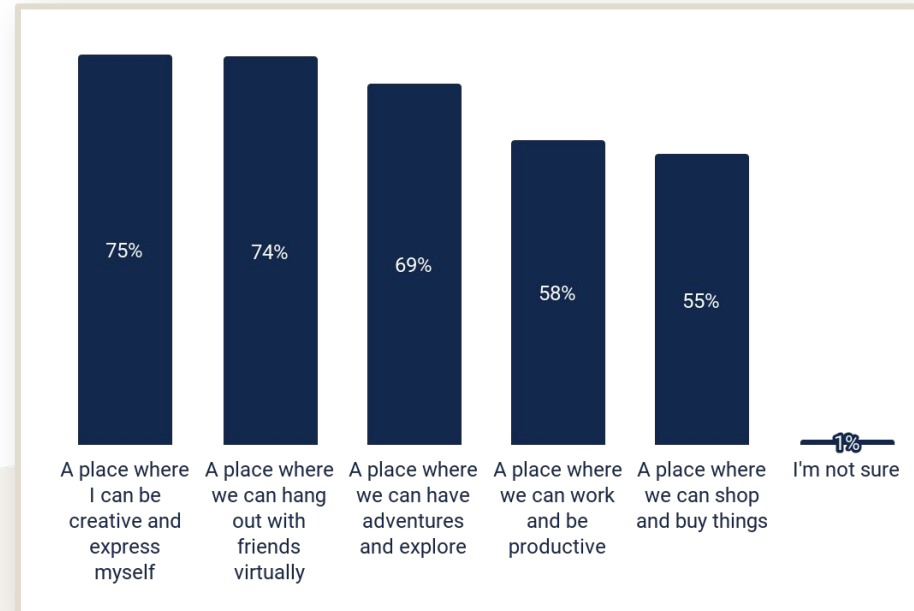
As great as it is to look at all sides of the picture, we wanted to turn a bit away from the potential bleakness that parts of Gen Z think the Metaverse will bring. Instead, we leaned into the groups that believe it will bring a positive impact on society to ask what the future of the space will look like.

Overall, both Gen Z and Millennials believe that the future of the Metaverse will primarily become a space for self expression (75%) and a place to hang with friends and family (74%).

Each idea took precedence over potential futures of “adventure” (69%) and work (58%) through the digital world. And trailing right behind each of those is a world that’s being realized today, virtual shopping (55%).



### Gen Z & Millennial Metaverse Future Predictions





Is it my turn yet?

## Brands in the Metaverse

All good things must come to an end... But does that have to be the case with the Metaverse? Do Gen Z and Millennials feel as if brands should avoid the space altogether to preserve the sanctity of the new world?

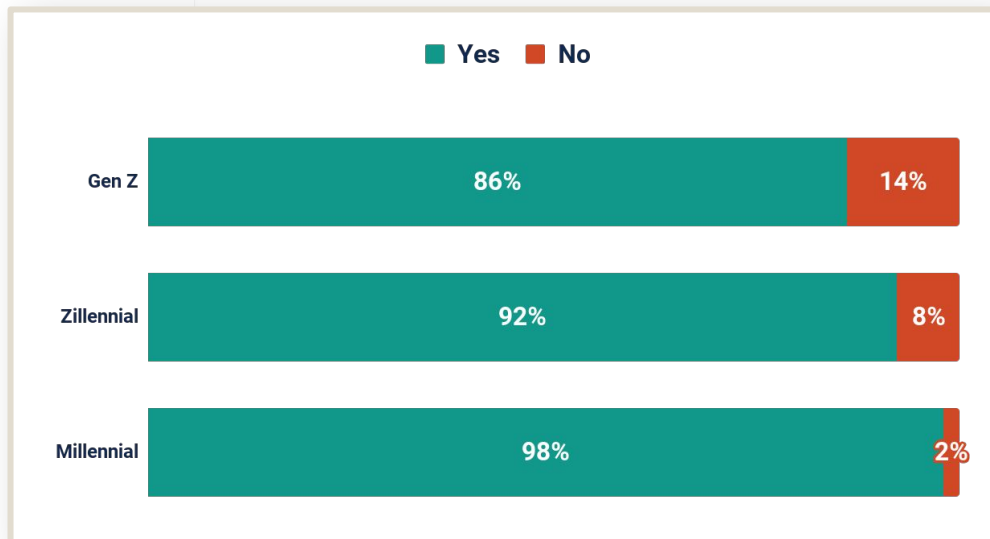
Quite the opposite. Collectively, all groups actually welcome brands into the Metaverse. However, we did notice that Millennials were significantly more receptive to brands entering the Metaverse at a whopping 98% rate – versus 92% of Zillennials and 86% of younger Gen Z's.

So get out your whiteboards – it's time to brainstorm how your brand can play in the space.

(Then partner with Knit to get Gen Z's feedback on your ideas 😊)



### Beliefs on if Brands Should Enter the Metaverse





## Where should we start? Brands in the Metaverse

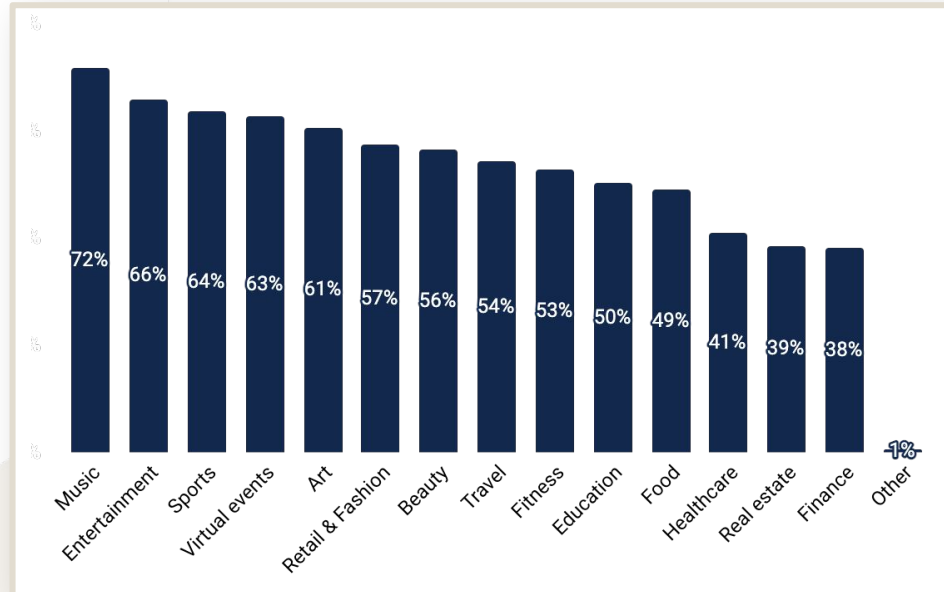
Well, it looks like the youths will welcome you into their new digital world with open arms. Congrats!

But before you jump right in and pixelate your world, we advise taking a peek at this next set of data: the verticals that both Gen Z and Millennials think brands should enter into within the Metaverse.

Similarly to these generations' use cases, brands with high entertainment values were most desired to be seen in the Metaverse. Industries like music (72%), sports (64%), and virtual events (63%) were among the top listed.



### Gen Z & Millennials on Which Brands Should Enter the Metaverse

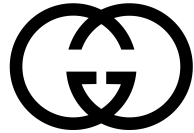




# Gen Z's Most Requested Brands in the Metaverse



GUCCI



amazon



Walmart 



Captured via Knit's Voice of Consumer Video Responses.  
Includes most frequently mentioned brands.



## Why Gen Z thinks brands **shouldn't** enter the Metaverse...

"The point in having a reputable brand is for quality control. In the metaverse, there's no actual tangible product. What can a name brand provide that will be better than a non-name?"

**Millennial Male**  
**Age 33**

"I think that part of retail should be separate from the Metaverse. There's a lot to like about shopping that I wouldn't want the Metaverse to replace."

**Millennial Female**  
**Age 35**

"It will become microtransaction hell"

**Gen Z Male**  
**Age 20**

"Corporations infest games enough as it is"

**Gen Z Male**  
**Age 22**

"I think ads in it would be annoying. But ads take over anything that people use so it'll probably happen"

**Gen Z Female**  
**Age 24**





In their own words:

## How Gen Z & Millennials Describe the Metaverse

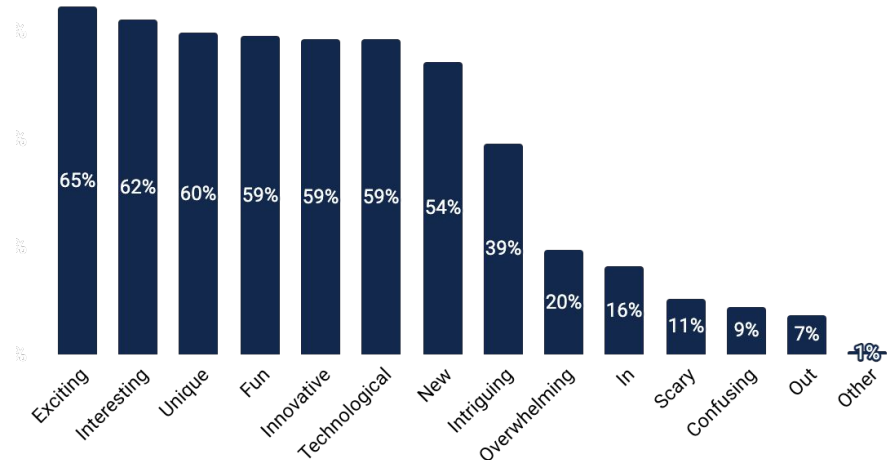
Before pushing your brand into the newly open space of the Metaverse, we imagine you have one open question: Does the space really align with your brand values?

We asked our Gen Z and Millennials respondents to choose a word that best describes the Metaverse. Overwhelmingly, each generation selected positive words like “exciting” (65%), “interesting” (62%), “unique” (60%), “fun” (59%) and “innovative” (59%).

Millennials were significantly more likely to say that the Metaverse was “innovative,” with Gen Z showing less positivity about the Metaverse with 32% saying it was “overwhelming.”



### How Gen Z & Millennials describe the Metaverse



It's like I'm really there...

## Reasons for Metaverse Affinity

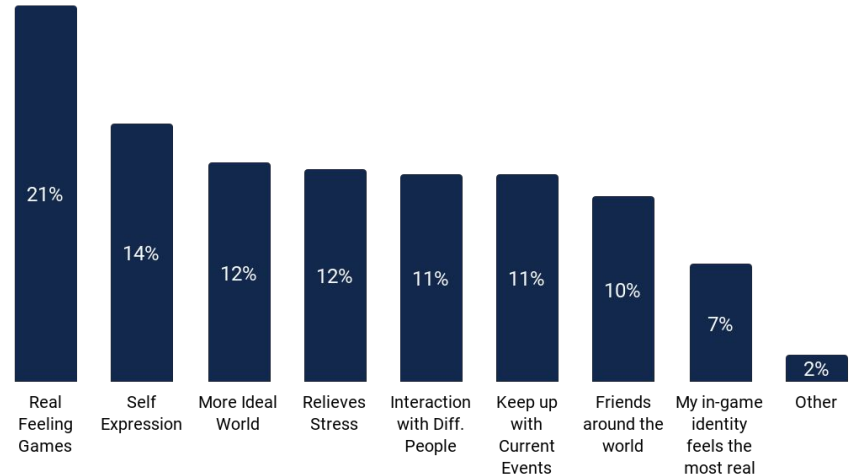
So what's so sticky about this new frontier? What is causing this affinity for the Metaverse across these generations?

The most popular reason for liking the Metaverse for both Gen Z and Millennials was the realisticness of gaming (21%). Being a soldier actually in the front lines. Throwing the game winning touchdown pass, yourself. Each of these generations love the Metaverse, first and foremost, for its ability to put them actually in the action and driver's seat of their favorite games.

Slightly trailing gaming is this generation's affinity for the Metaverse's ability to allow for true self expression (14%) followed by the "destination" aspect of it being a "more ideal world" (12%).



### Gen Z & Millennial Reasons for Liking the Metaverse





# Why are certain brands winning in the Metaverse?

## **FORTNITE**

"Fortnite is winning the metaverse because there is a ton of different ways to interact with people. It also does a lot of collaborations"

## **oculus**

"It's ingrained into the Metaverse and is a really cool tool to access it."

## **ROBLOX**

"They are ahead in the game and have a large user base despite the hate they receive."

## **Meta**

"They are the ones driving its technological innovation and seem to have the biggest vision for what it can be, and they're developing the tech to provide great user experiences."

## **Microsoft**

"Microsoft's acquisition of Activision Blizzard, which is the producer to a lot of top notch games with lots of users, makes it a step ahead."



Our last piece of advice...

## What Gen Z & Millennials Want More of in the Metaverse

As we wrap up our coverage of youth Metaverse preferences, we'll leave you with a bit of tangible advice on where these generations say you should take the next step.

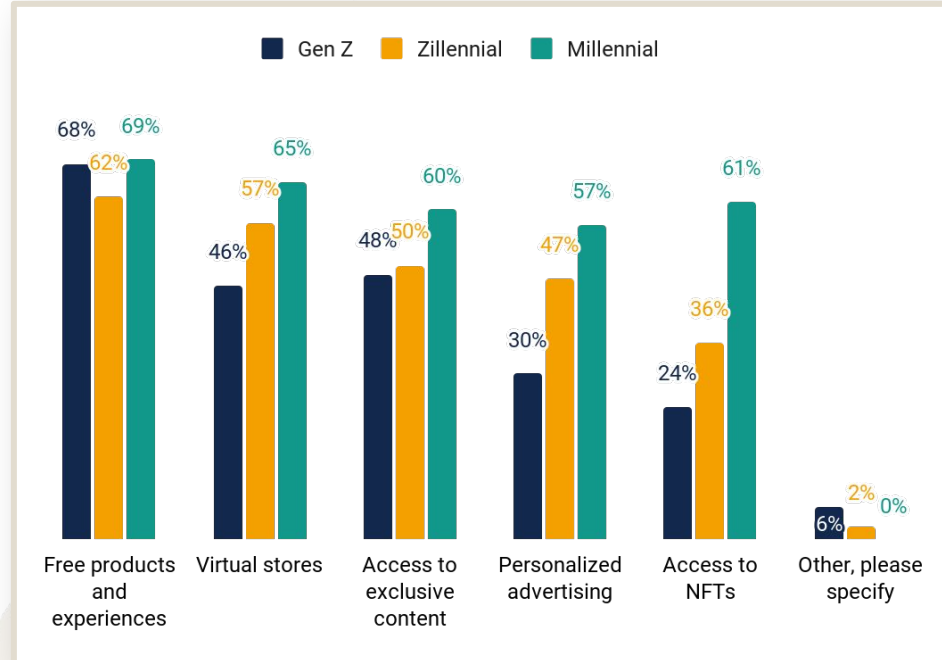
In general, these generations want to see more free products and experiences in the Metaverse. Millennials and Zillennials were significantly more likely to say they want to see more personalized advertisements in the space (57% and 47% respectively) versus younger Gen Z's (30%).

Millennials were more likely than Gen Z to say they wanted to see more virtual stores and more likely than both Gen Z and Zillennials to want more access to NFTs.

So pick your poison. There's your advice on where to take your next step in the Metaverse in order to win over these generations. Where will you start first?



### What Gen Z & Millennials want to see more of in the metaverse





## Section 2

# NFT'S



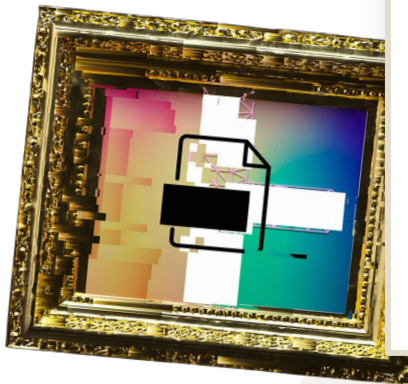
## So, who's holding?

# Current NFT Ownership

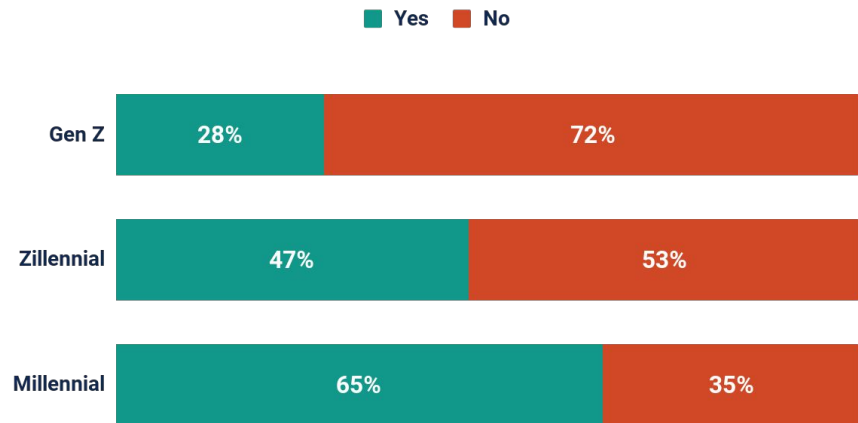
Everyone has an opinion on NFTs, it seems, even those who don't know exactly what they are. As we covered earlier, that doesn't seem to be the case with Gen Z and Millennials – of which 100% are all aware of the market.

But how many are holding onto the (potentially?) valuable assets?

Well it looks like across all subgroups covered, that answer varies. Almost two-thirds of Millennials currently own an NFT (65%). Huge – and shocking – percentage, right?! But that ownership rate decreases with age, with only 47% of Zillennials owning an NFT while 28% of younger Gen Z's own one.



## Do these generations currently own any NFTs?



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## NFT Ownership



“NFTs from artists I love”  
Millennial Female  
Age 37

“NFT of games”  
Millennial Male  
Age 29

“Art, avatars, weapons.”  
Gen Z Male  
Age 24

“I have like a dog NFT and  
it costs like \$10,000”  
Gen Z Male  
Age 23

Captured via Knit's Voice of Consumer Video Responses.  
Includes most frequently mentioned NFTs owned.

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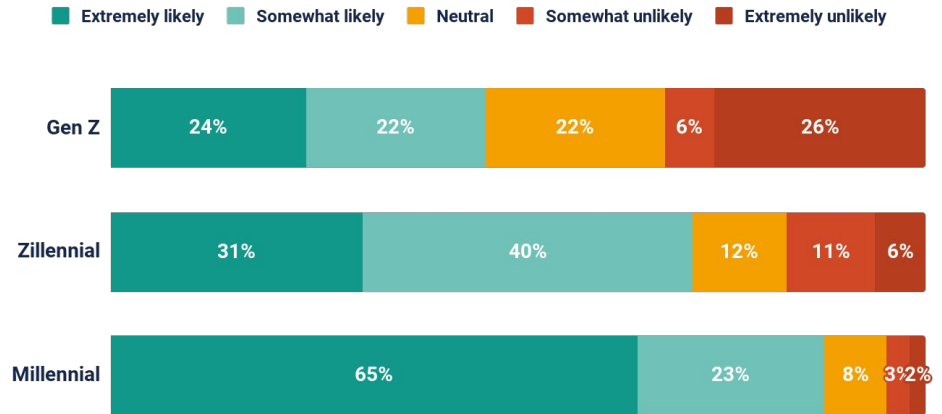
## Becoming a member for life... Future Involvement in the NFT Community

With less than half of Gen Z's currently owning NFTs, is there upside in the future for the remaining to jump onto the market?

We asked the group how likely they were to get involved in the NFT community, and the trends actually stayed consistent. Millennials are the most likely to get involved with an NFT project at 88% likelihood, while Zillennials trailed at 71% and the younger Gen Z's sat at 46%. Still, there's some upside in capturing even the youngest of the groups who don't currently own, so we expect this market to continue to grow in upside as education and utility continue to evolve.



### Likelihood to get involved in the NFT community



## What does the market say? Interest in Buying & Selling NFTs

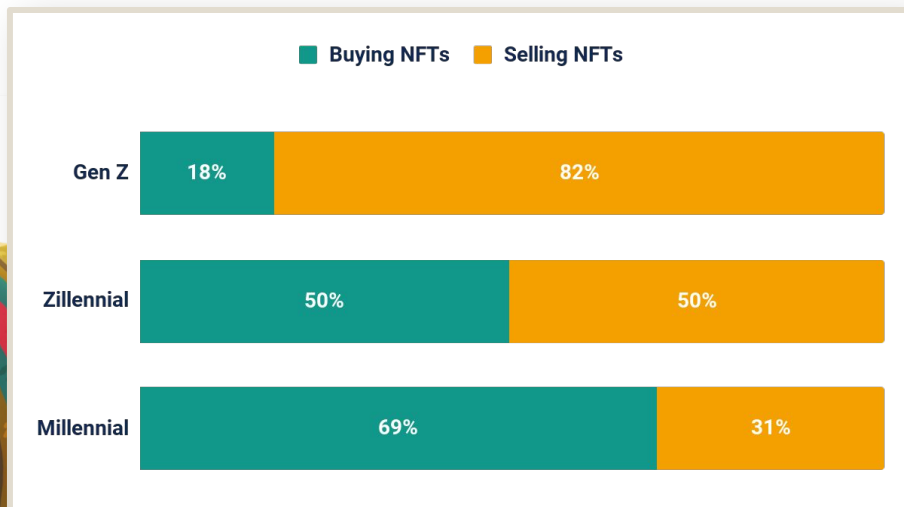
For all of these groups, where does the interest actually lie? Are they looking to buy NFTs as a form of building collections? Or are they more interested in selling those that they possess in hopes to cash out big?

What we found is that Millennials are the most interested in buying NFTs and building up a portfolio at 69% (vs 50% of Zillennials and 18% of Gen Z).

Gen Z is by far the most interested in selling NFTs with over 80% of respondents preferring to sell. It seems the value that they associate with the NFT market is primarily placed in the monetary gains that they can attain by owning then dumping the assets.



### NFT Buying vs Selling Interest Preference





## Here for a good time or a long time? NFTs Impact on Society

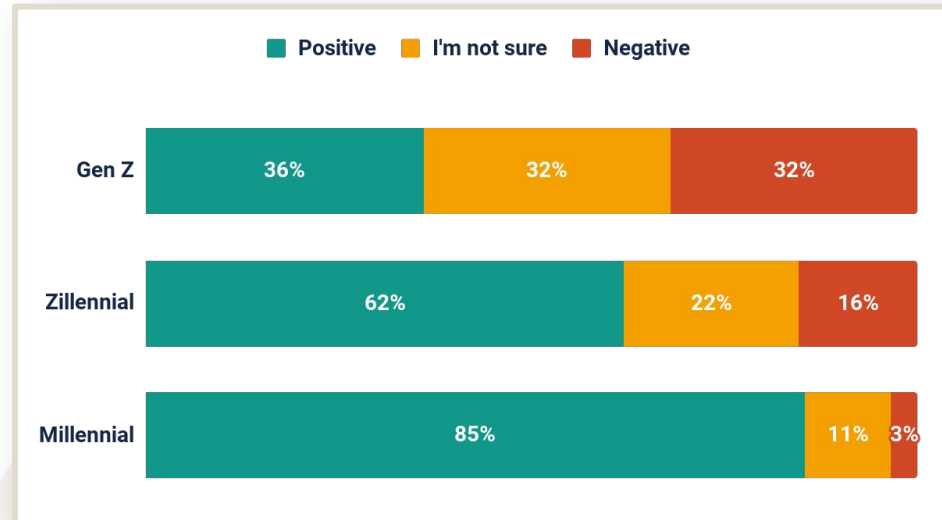
Similarly to how we looked into the Metaverse's perceived impact on the world, we had to hear these generations' thoughts on NFTs.

85% of Millennials and 62% of Zillennials actually believe in the upside of NFTs, and that they will have a positive impact on society. The younger Gen Z's of the group are more skeptical of the NFT market, with only 36% believing it will have a positive impact, 32% being unsure and an additional 32% saying it will have a negative impact on society.

But why do each of these generations feel this way?  
Let's dig in...



### Perceived Societal Impact of NFTs





## Why NFTs will have a **positive** impact...

"NFTs allow creators of art to sell their ideas in a more convenient and fast means of selling"

**Millennial Female**  
**Age 33**

"Easier access to investment for people who want to"

**Gen Z Female**  
**Age 20**

"NFTs have not only made people rich but they're continuing to grow in the business community to support deals"

**Millennial Male**  
**Age 36**

"I believe it will have a positive impact because it is leading our world into a more Innovative future"

**Gen Z Female**  
**Age 21**





## Why NFTs will have a **negative** impact...

“Because you’re putting real money into something that will never be real. And if the internet crashes there goes all your money for a drawing. It only has value because you give it value.”

**Millennial Male**  
**Age 35**

“They take up so much energy to produce, as well as the people who tend to invest in NFTs are typically very toxic people.”

**Gen Z Female**  
**Age 22**

“It is just a quick cash grab. There are better things to invest in”

**Gen Z Male**  
**Age 18**

“These aren't tangible items. I can't use it for anything. I can't Macgyver it into something I can actually use in the event of an emergency”

**Gen Z Male**  
**Age 24**



The shiniest object of all...

## NFT Interest by Vertical

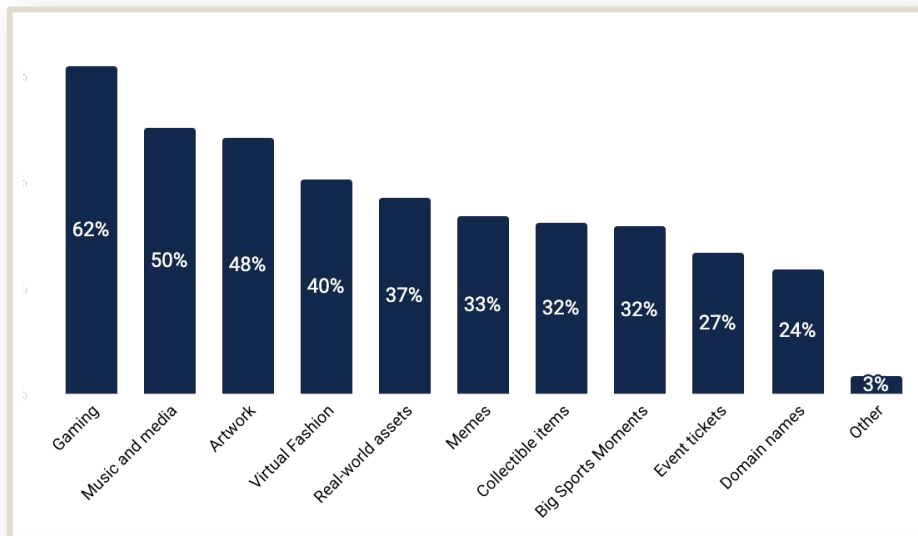
Of course, the NFT market isn't looked at similarly across all verticals. Certain industries have a bit more upside in capturing these generations' attention and interest in the space.

And no surprise, gaming was universally the NFT category with the most interest for both Millennials and Gen Zers. Other entertainment categories followed closely, with Music and Media sitting at 50% interest and Artwork sitting at 48% interest.

When breaking down the generations, Millennials were significantly more interested in NFTs within the categories of Big Sports Moments, Virtual Fashion, and Real-world assets than both Gen Z and Zillennials.



### Gen Z & Millennial NFT Interest by category



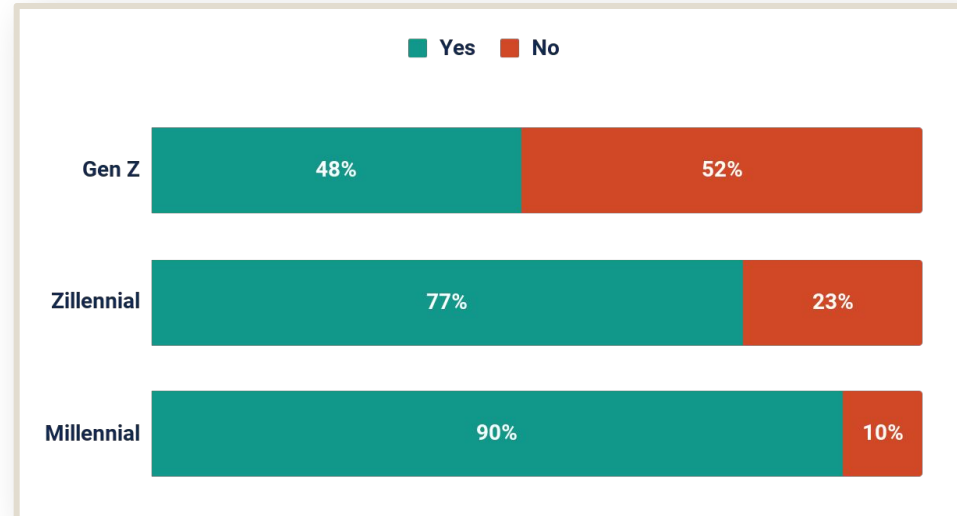
## Where should we start? Brands and NFTs

Just because the appetite for NFTs is growing, does that mean that these generations want your brand to enter the space? The answer is yes – they want more options and variety in the space!

Millennial and Zillennial appetite for brands in the NFT market were each holding strong at 90% and 77% respectively. The younger Gen Z's were a bit split on brand usage of NFTs, with a majority saying brands should NOT use NFTs at 53%. Regardless, there is a sizeable market to capture across each of these generations, the oldest of which (with the most appetite) having the largest disposable income.



### Beliefs on if Brands Should Use NFTs





## Where should we start? Brand NFT Creation

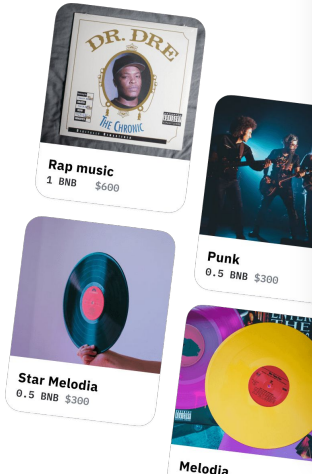
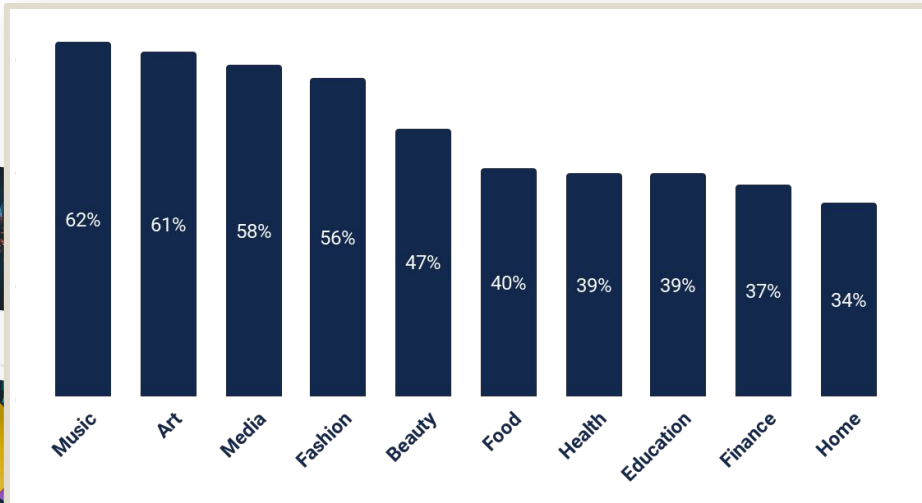
Just because your brand plays in the F&B space, doesn't mean you can't enter the digital world of NFTs. Heck, the same can be said for brands in the tax space, the real estate game, and even foot cream market. The NFT community offers loads of possibility to engage these next generations. All it takes is a little creativity and strategy on how to enter the market.

The opportunities that seem to have the most upside with these generations are within music (62%), art (61%), and media (58%) – all areas that brands of all kinds can play in.

Following those three, Gen Z and Millennials mentioned that they believe brands should be entering the fashion (56%) and beauty (47%) spaces of the NFT market.



### Gen Z & Millennials on Which Categories Should Brands Create NFTs





## Gen Z's Most Requested Brands to Create NFTs



Captured via Knit's Voice of Consumer Video Responses.  
Includes most frequently mentioned brands.



## Why Gen Z thinks brands **shouldn't** create NFTs...

"Because it is just digital and not something you can use on a daily basis."

**Gen Z Female**  
**Age 21**

"They are just a quick cash grab"

**Gen Z Female**  
**Age 18**

"I don't really understand the value of them."

**Gen Z Female**  
**Age 25**

"The future of finance has been used to scam millions of people"

**Gen Z Male**  
**Age 22**

"Majority of brands shouldn't unless they have something to do with gaming or anything VR related"

**Gen Z Male**  
**Age 18**

"NFTs are still rather new and may be compromised."

**Gen Z Male**  
**Age 23**



In their own words:

## How Gen Z & Millennials Describe NFTs

To wrap up the NFT portion of this report, we wanted to hear how Gen Z and Millennials describe NFTs in their own words. Does “excitement” prevail, the same way it did with the Metaverse?

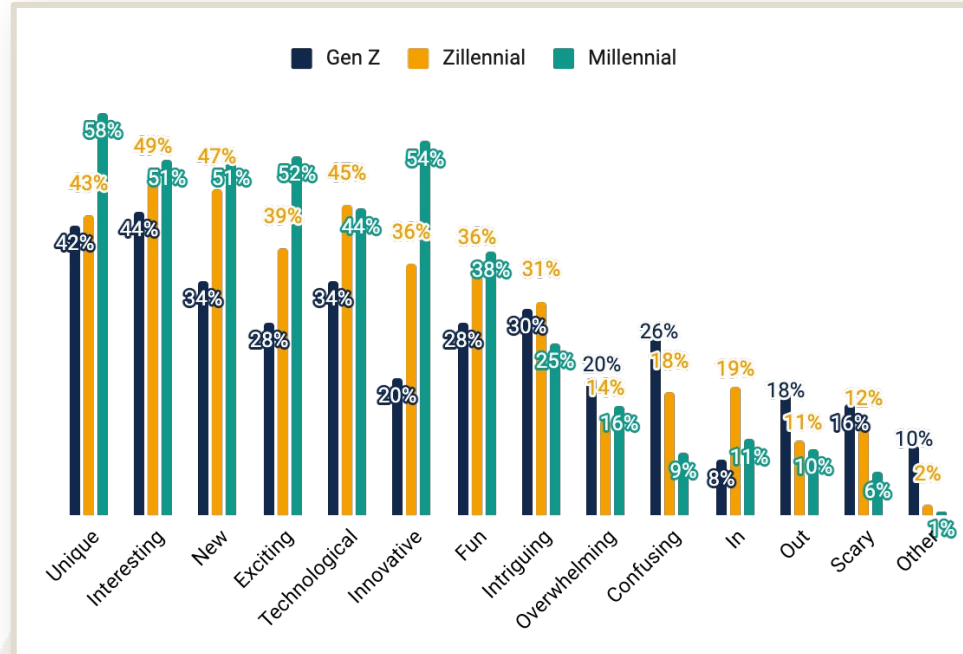
When diving in, we saw that Millennials have a much more positive view in how they describe NFTs, being significantly more likely to describe them as “exciting” (52%), “unique” (58%), and “innovative” (54%) than Gen Z and Zillennials.

Gen Zers are holding strong with a bit of skepticism. They were significantly more likely to describe NFTs as “confusing” (26%) or “scary” (16%).

But maybe with a bit of education (and brainwashing?), the full youth market will come around. Who knows... But regardless, there’s tons of opportunity for your brand to capture and a ton to look forward to in the space.



### How these generations describe the NFTs



## Section 3

# Looking Ahead





## Where do we go from here?

# Looking ahead

When it comes to how the Metaverse will evolve – as well as which businesses and companies fail and succeed within it – Gen Z are the trendsetters. This generation is the best example of how new users and operators will adapt to the Metaverse-creating technologies as they develop.

Gen Z may also prove incredibly influential in convincing other demographics and less tech-savvy generations to test the Metaverse for themselves. They become, then, the primary enabler for the success and development of an interdependent Metaverse structure in which multiple online and augmented reality spaces can interact.

As the technologies that enable the metaverse evolve, the field will be largely developed in response to the trends and behaviors that Gen Z exhibits within it.

Nobody knows this more than Knit's partners – who have placed an emphasis on this next generation. So we spoke to a few of them, to hear their thoughts surrounding Gen Z and the Metaverse / NFTs.





## Industry Opinions

"Young consumers continue to push forth trends across all categories, but the emergence of the Metaverse and NFTs primes an entirely new environment for Gen Z to take ownership in shaping. Their appetite for pushing boundaries makes the work Adobe is doing for our many major sports partners, like MLB in the US and Real Madrid abroad, truly exciting as we venture into innovative marketing spaces together and build for the next generation of fans."



**Jen Zick**

Adobe

M&E Principal, Digital Strategy Group





## Industry Opinions

"While the concept of the Metaverse is in its early stages, gaming and virtual lands have been around for decades. Gen Z is increasingly aware of how they represent themselves in the Metaverse, specifically their look and the virtual items they own. For GreenPark, this means leveraging IP of the biggest brands in sports for first-of-its-kind live experiences and virtual merch."



**Tony Grillo**  
GreenPark Sports  
President



**What's next?**

## **Lead with Insights.**

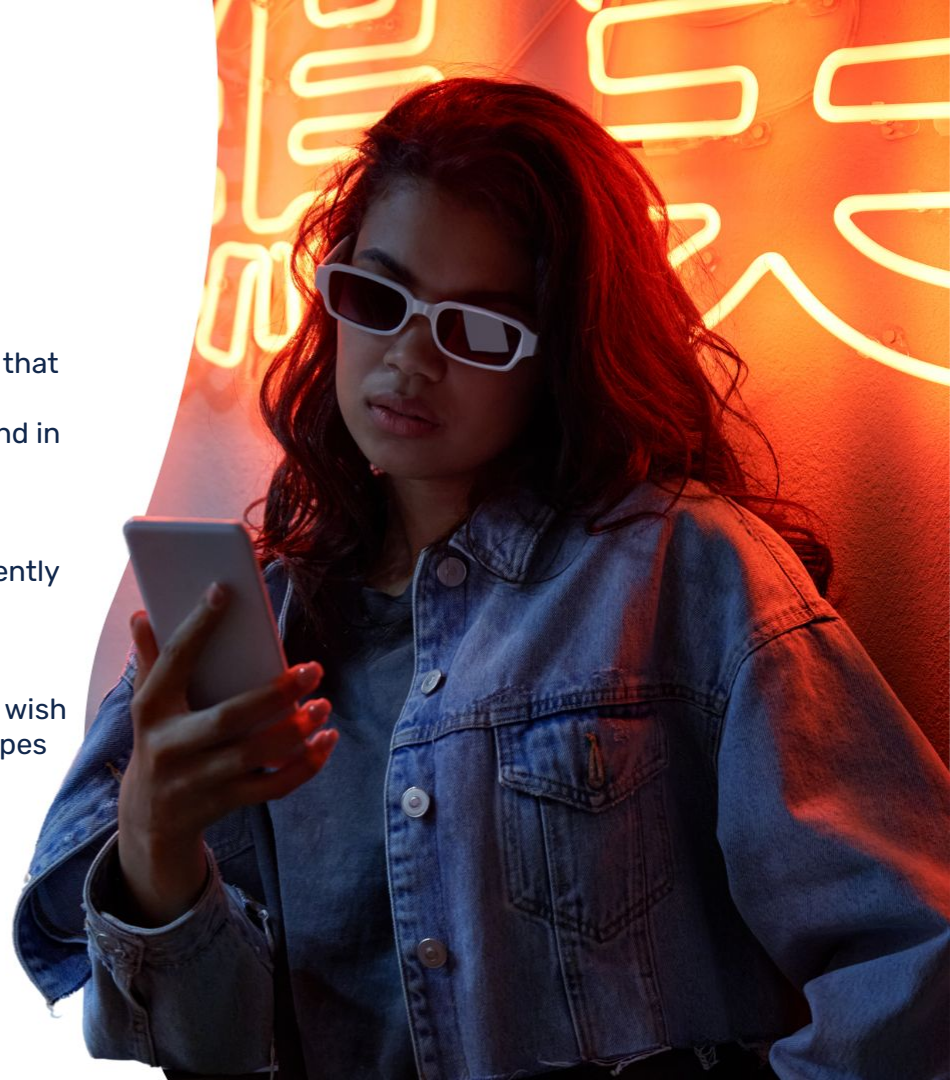
The Metaverse, NFTs and Web3 represent the next stage of evolution for the internet, a new and unique dimension within that expansive space, and it is vital that brands and businesses consider their future and current roles within that structure and in relation to Gen Z.

Brands that both stay ahead of the trends through a constant pulse check with the newest generation and brands that diligently test strategies for feedback will win in this space for years to come.

Gen Z insights are vital to the businesses and companies who wish to succeed within this expanding space as their influence shapes that very space as it expands.

And that's where Knit comes in...

On-demand Gen Z Insights, so you can win with this next generation. **Just reach out.**



knit

# It's your move.

Gen Z will continue to shape technology and digital trends for years to come. Are you prepared to adapt to the trends they'll drive year after year? Knit can help you keep a pulse on youth consumers as well as ideate and test strategies to win with this generation, all through our on-demand quant + video solutions.

**Get youth consumer data for your brand.**

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# Study Methodology

## Type of Research

Custom, quick-turn quantitative and qualitative research (VoC Video Responses)

## Level of Confidence

The total population size is 112,000,000.

The total sample size was 511 with gender and ethnicity representative of US Census data, giving us a 95% Confidence Level with a 4% margin of error.

## Timing

The entire survey was fielded over a 72-hour period - Monday, September 12 through Wednesday, September 14, 2022.

## The Methodology

An online survey used a combination of quantitative and qualitative questions to collect feedback from a panel using a method that is PC, mobile, and tablet-friendly. The online survey focused on qualified US-based Gen Z & Millennial respondents (aged 14-41) to understand their current digital platform preferences.



Want access to all the data not included in this report?

[Contact our team](#)