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PECULIARITIES OF BUYING BEHAVIOR OF GENERATION Z: MIX OF COMPANY LOYALTY AND IMPULSIVITY

Generation Z emerges as a demographic highly attuned to discovering new brands via digital platforms, ranging from social media channels to advertisements encountered on various websites and apps. They are characterized by their informed consumer behavior, often engaging in thorough research and comparison of options before finalizing a purchase decision. Moreover, Generation Z is inclined towards prudent spending habits, shaped by economic uncertainties and adeptness at seeking online deals.

Their purchasing decisions are heavily influenced by reviews and word-of-mouth shared across media channels, reflecting their emphasis on obtaining value for their money. With access to an extensive array of brands, Generation Z tends to demonstrate lesser brand attachment, opting instead to explore multiple options to secure the best possible deal.

In contrast to older cohorts, Generation Z exhibits diminished trust in traditional corporate entities, preferring to align themselves with influencers on platforms like Instagram and YouTube, whom they perceive as more relatable and credible than conventional online advertisements or celebrity endorsements. Consequently, successful brands have pivoted towards influencer marketing strategies, recognizing the effectiveness of this approach in resonating with Generation Z's preferences and behaviors [1].

The goal of our scientific work is to delve into the intricate buying behavior of Generation Z, characterized by a unique blend of company loyalty and impulsivity, and to dissect the underlying factors that drive their consumer decisions.

The purpose of this study is to scrutinize the hypothesis that Generation Z exhibits tendencies towards impulsive purchases, juxtaposed with a strong inclination towards brand sustainability and a significant emphasis on their social media presence.

The relevance of our research stems from the evolving landscape of consumer behavior, particularly within the context of Generation Z, who represent a pivotal demographic in the marketplace. As the purchasing power of this generation continues to burgeon, understanding their nuanced buying patterns becomes imperative for businesses seeking to tailor their marketing strategies effectively.

Moreover, the scarcity of comprehensive studies addressing the buying behavior of Generation Z in the context of company loyalty and impulsivity underscores the need for our research. By shedding light on these dynamics, we aim to fill this gap in the literature and provide valuable insights for marketers, businesses, and policymakers alike. Ultimately, our study aspires to contribute to a deeper understanding of Generation Z's consumer behavior, thereby empowering businesses to navigate the ever-changing market landscape with precision and efficacy.

Specifically, Gen Z refers to the age group that was born in the late 1990's and up to 2010. Millennials, on the other hand, are people born roughly between 1986 - 1996. Although there aren't that many years between the two age classifications, there are significant differences in the way they shop, make decisions and what they value.

The purchasing behavior of Generation Z stands out for its distinct approach compared to previous generations. Rather than relying solely on personal intuition or individual research, Generation Z harnesses the power of search engines and social networks to inform their buying decisions. This process often involves soliciting input from their social circles, resembling the collaborative decision-making seen in business-to-business transactions.

For both significant purchases and everyday items like clothing or food, Generation Z tends to engage in what can be described as a "committee-style" buying process. Seeking consensus among their network, they value the opinions and insights of others in their decision-making journey. Even

in cases where they do not make direct online purchases, Generation Z's shopping journey is typically well underway by the time they step foot in a physical store. While traditional brick-and-mortar establishments were once the primary point of sale, they now primarily serve as convenient pick-up locations.

Despite growing up with online shopping as the norm, a McKinsey & Company study [2] that surveyed 10,000 consumers across multiple age groups and 25 product categories found that Gen Z are in fact fans of omnichannel shopping; instead of strictly online-only. Gen Z shoppers enjoy the experience of going to physical stores as well as using their apps to make quick purchases or enjoying the ease of same-day delivery. This is good news for retailers who have an omnichannel strategy, but for those who are solely online, they will need to incentivize shopping online over the tactile and sometimes visceral experience that brick-and-mortar stores offer Gen Z.

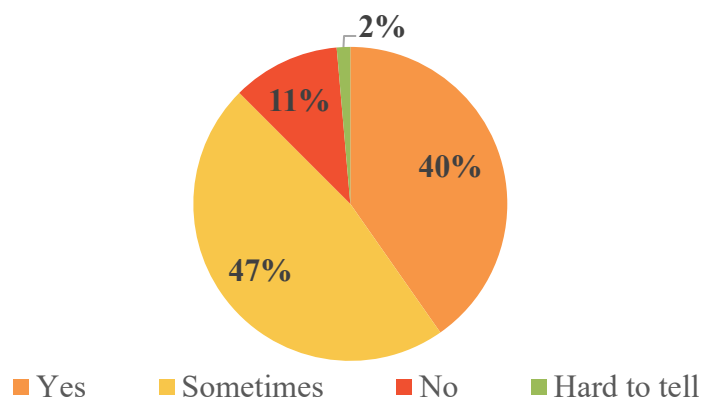
It is more important for Gen Zers than Millennials to shop from brands or retailers that have a strong brand identity. It is also more valuable for Gen Zers to spend money on brands that value authenticity.

This comes from a desire to stand out instead of fitting in and we see this in their choice to choose brands who focus on issues like sustainability or anti-racism instead of luxury or coolness. According to a report from First Sight [3], 73 % of Gen Zers are happy to pay an extra 10% on an item if they know it is sustainable while for Millennials, brand names have shown to be more important than values. Sporting a jacket from Levi's Jeans or gym apparel from Lululemon is a large motivating factor for Millennial spending choices, regardless of how the product is manufactured. The fact that representatives of Generation Z are willing to pay more for environmentally friendly products shows us that they prefer brands that prioritize environmental responsibility [2-5].

In the scope of our investigation into the distinctive purchasing habits of Generation Z, marked by a fusion of brand allegiance and impulsive tendencies. Our hypothesis posits that despite Generation Z's inclination towards impulsive buying, they place significant importance on the sustainability of brands and their portrayal on social media platforms. The findings of the performed research allowed us to make certain conclusions and build an understanding of Generation Z's purchasing behavior.

We conducted research that involved empirical data gathering using Google Forms, as well as statistical analysis and interpretation of the findings. The survey participants were representatives of the Generation Z, mostly university students, as well as high schoolers and people from colleges.

The first question was aimed to assess Gen Z buyers' impulsivity by examining their responsiveness to discounts. Almost half of the respondents (40 %) answered that the availability of discounts often effects their buying decisions. And an even bigger part of the respondents (47 %) said that it happens to them too, but occasionally. And only 11 % said that they do not give in to discounts (Fig. 1).



*Fig. 1. Answers to the question
«Does the availability of discounts influence your buying decision?»*

Continuing with the impulsivity, we've found out, that more than a quarter of respondents (29%) tend to make spontaneous purchases, as well as 50% who do this to small things only. How-

ever, a notable share of respondents (21%) responded that they don't tend to act impulsively during shopping, indicating that there are enough of Gen Z members, who are on the contrary not spontaneous at all (Fig.2).

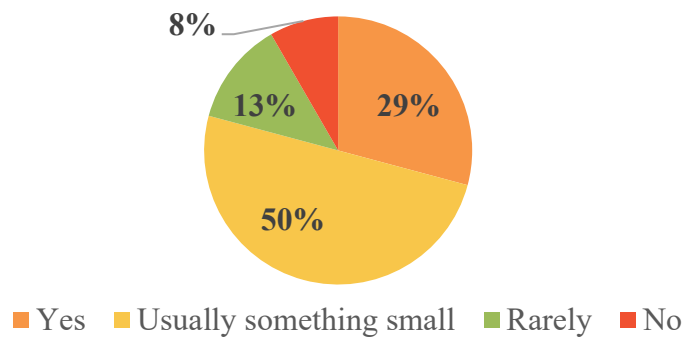


Fig. 2. Answers to the question
«Do you often make unplanned purchases during your shopping sessions? »

However, the next question showed that Gen Z buyers are very thoughtful when it comes to planned purchases. 40 % of the respondents admitted that they do preliminary research at home and 36 % more do the same but in the shop. One-fifth of respondents (20 %) said that it depends on the product and the rest (4 %) select by price or design only. But not a single person selected the option, that stated "I just take the first one I see", what gives us an interesting perspective on how Generation Z makes planned buying decisions (Fig. 3).

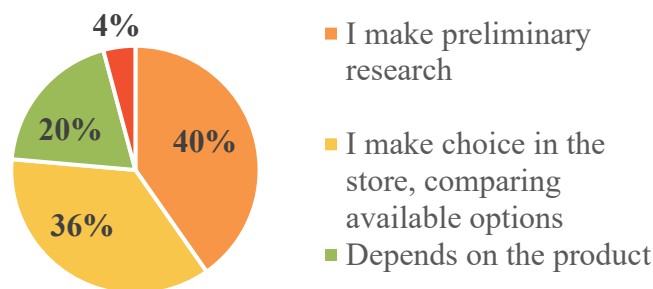


Fig. 3. Answers to the question
«How do you act when you go to the store for something particular? »

Another point we wanted to check was the influence of online presence of a brand on buying decisions of Gen Z. As it was anticipated the vast majority of respondents (78 %) said that it affects them perception a lot, and 14 % rated the influence as medium (Fig. 4).

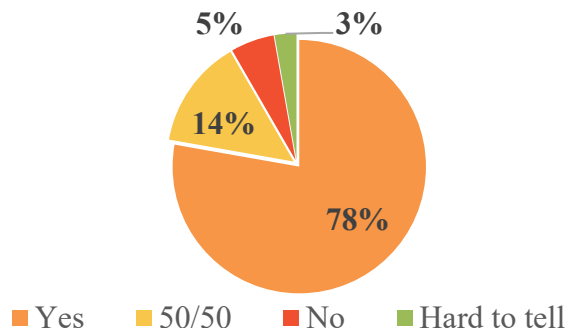


Fig. 4. Answers to the question «Does it affect your idea of a brand, if its representatives actively answer comments in social media, react to complaints and propositions? »

The next block of questions was dedicated to the hypothesis, which stated that Generation Z pays special attention for brand sustainability and social awareness. However, we came to the conclusion that it actually depends on gender in our region: Belarusian women are noticeably more socially aware than man.

For instance, 40 % of women are concerned if they're sponsoring unethical companies, 37 % remain unsure and only 20 % don't really care (Fig. 5).

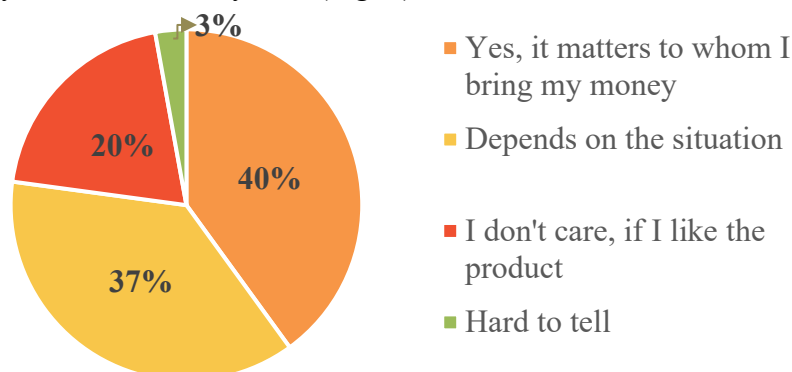


Fig. 5. Answers of women to the question «Does the brand's reputation influence your decision to buy their product? »

However, the males mostly (58 %) admitted that a brand's reputation doesn't bother them. Or at least bothers occasionally, as the 34 % of respondents (Fig. 6).

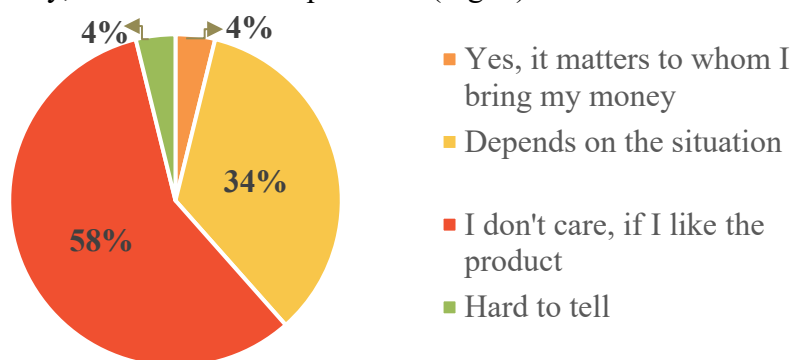


Fig. 6. Answers of men to the question «Does the brand's reputation influence your decision to buy their product?»

Finally, we tried to figure out the topics, that the Gen Z is more sensitive too. Taught by experience, we paid attention to the gender of our respondents in this question as well. We had 6 more female respondents than male, however, the results differ much more than that. Finally, there were 8 male respondents, that admitted their complete insensitivity to listed issues (Fig. 7).

Our analysis of gender-based responses to societal issues in advertising reveals notable disparities between men and women. Women exhibit a higher level of concern across various issues, particularly regarding sexism, homophobia, and sexualization. In contrast, men appear to be less affected by these concerns, Showing less sensitivity to such issues in advertising.

Interestingly, while men show a greater level of concern about environmental issues, this observation may be influenced by the restricted options available in the survey. Nonetheless, the data suggests that women are generally more attuned to ethical considerations and social issues in advertising.

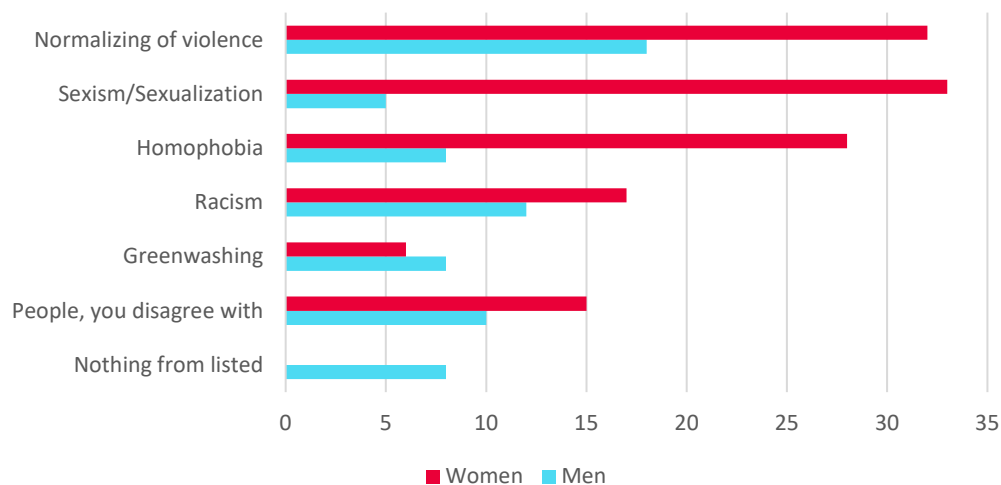


Fig. 7. Answers to the question «Presence of which of these things in the advertising may influence your perception of the brand? (Select 1-3 most important)»

These findings underscore the importance of gender-sensitive marketing strategies that take into account the diverse perspectives and sensitivities of both male and female consumers. Marketers must strive to create inclusive and socially conscious advertising campaigns that resonate with the values and beliefs of their target audience, thereby fostering a more positive brand perception and engagement.

In general, our research into the buying behavior of Generation Z has provided valuable insights into the complex interplay between company loyalty and impulsivity among this demographic. Our findings support the hypothesis that Generation Z tends to make impulsive purchases, while also placing a high value on brand sustainability and social media appearance. This was evident from the significant proportion of respondents who admitted to being influenced by discounts and making spontaneous purchases, albeit to varying degrees.

Moreover, our study highlighted the influence of brand presence on social media platforms, with a majority of respondents acknowledging its impact on their perception and purchasing decisions.

In conclusion, these findings underscore the importance of tailored marketing strategies that consider the diverse preferences and sensitivities of Generation Z consumers. Marketers must strive to create inclusive and socially conscious campaigns that resonate with the values and beliefs of this demographic, thereby fostering stronger brand engagement and loyalty.

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