

GENERATION Z IN MODERN MARKETING AND BUSINESS

The article examines the influence of Generation Z on marketing and economics. The study revealed key features of the generation's behavior and preferences, including an emphasis on digital technology, product individualization, environmental awareness, and the importance of brand social responsibility. It analyzes how these factors are transforming companies' marketing strategies and changing business models through the growth of e-commerce and digital sales. In conclusion, recommendations for business on adaptation to new conditions are proposed and prospects for a further research related to global economic processes are proposed.

Keywords: *Generation Z, marketing, economics, digital technologies, personalization, social responsibility, digital sales, corporate sustainability, e-commerce*

Generation Z is the first generation that grew up in the era of digital technology development. It is a diverse, unique and active group of employees and consumers, formed under the influence of globalization and digitalization of the modern world. The preferences and expectations of the generation have been formed due to the rapid development of social networks, smartphones and streaming services. Generation Z, in comparison to the previous generation pays special attention to authenticity, social responsibility and a personalized approach in interacting with various fields of activity [1].

Since Generation Z begins to integrate into the labor market actively and becomes an important target audience for businesses, the topic of its influence on marketing and business becomes particularly relevant. In order to establish effective interaction strategies, companies need to understand Generation Z as potential consumers and employees.

According to the information mentioned above, the purpose of this article is to study the influence of Generation Z on marketing strategies and business and to identify their consumer preferences. The main task is to analyze the values of the modern generation that change business approaches and adapt companies to new conditions. This research can help businesses to use new trends and the changing demands of a young audience to improve their products and services in order to remain competitive in the future.

In order to understand the influence of Generation Z better on marketing strategies and business approaches, it is necessary to study the main features and values of this generation firstly. The realization of how the generation's preferences were formed will help to understand the reason for the adaptation of modern companies to new conditions for the formation of their strategies. It is important to consider the demographic and socio-cultural portrait of Generation Z in order to clearly present them as consumers whose unique needs have a significant impact on economics and marketing practices.

The representatives of Generation Z include people who were born from the mid-1990s to the early 2010s. They have been familiar with the Internet and smartphones almost since childhood, and this fact makes them the most technologically advanced among all previous generations.

Generation Z values honesty, transparency and awareness. They prefer brands focused on ecology, inclusivity and equality. For them, freedom of choice and self-expression is no less important, which affects their desire to individualize products and services. These consumers are focused on real actions, not just promises, and prefer companies whose ethics coincide with their own beliefs.

As representatives of Generation Z, we prefer quick access to content, are prone to multitasking, and consider visual and interactive content to be one of the most effective for consuming information of any complexity. Our generation is open to the constant search for something new, especially if it concerns the marketing environment. We are more critical of companies and actively support those brands that pursue transparent and socially responsible policies. We are attracted to those brands that have a strong development in social networks and that are trying to adapt to current trends as quickly as possible [2]. These factors can help companies to adapt faster, as well as use new and modern communication channels, such as social networks, video content, influencers and other digital tools to promote goods and services.

Next, we will describe the main areas in which the influence of generation Z on marketing is most noticeable:

1. Digitalization and social networks.

The younger generation spends more than three hours online every day, which affects their ability to process information quickly and makes them more critical of advertising. The Internet, social networks and online resources have become the main sources of information for Generation Z. Unlike traditional media, they receive information through short and visually rich content formats, which forces most brands to change their marketing strategies rapidly. For this reason, marketers should switch to social media and create public pages on social networks where they can talk in detail about new products, places and ways to purchase them. To interact with young audience effectively advertisements should be based on the experiences and images of real people [3].

2. Influencers and user content.

Social platforms such as Instagram, Twitter and YouTube play a key role in the younger generation, most of whom choose products and services based on recommendations from influencers and reviews on social networks. Loyalty of Generation Z is based on trust in those people whom they consider experts or idols on the Internet, so cooperation with influencers becomes an important marketing tool.

3. Focus on values and ethics.

One of the key aspects for Generation Z is the environmental friendliness of the product. A significant part of the younger generation makes purchasing decisions based on ethical aspects and brand values. They are attracted to products that minimally harm nature and are recyclable. So, businesses should take into account issues of social justice, environmental sustainability and corporate social responsibility in their advertising.

4. Personalization.

Generation Z is committed to individualized offerings, and modern technologies such as Big Data and Artificial Intelligence (AI) play a key role in providing such solutions. Companies are actively using big data analysis to create personalized offers. It allows different companies to understand customer preferences much better and adapt their products to the needs of modern generation.

For example, “Spotify” has successfully used AI to create personalized music playlists such as “Discover Weekly”, which increases user engagement and strengthens brand loyalty [4].

Moreover, Generation Z differs significantly from previous generations in its preferences and interaction with business. These changes have a significant impact on the transformation of companies' business models, forcing them to adapt to new market requirements. We have described the main directions of these changes:

1. Direct-to-Consumer (DTC) models.

One of the most striking examples of the changes caused by the needs of Generation Z was the development of Direct-to-Consumer (DTC) models. In contrast to traditional business models DTC assumes the absence of intermediaries which allows companies to meet consumer needs more accurately, improve control over pricing policy and ensure closer interaction with customers through digital channels. It allows consumers to easily share their experiences with other users via social media which creates important touch points between brands and their target audience.

For example, the DTC model is successfully used by Tesla which interacts with customers directly. Instead of using intermediaries, Tesla sells its cars directly via the Internet and its own stores to control the customer experience from ordering to delivery [5]. This approach not only increases customer satisfaction but also reduces the cost of maintaining intermediaries. The DTC strategy helps Tesla adapt to the demands of digitally oriented consumers, including Generation Z, for whom transparency and flexibility are important.

2. Flexibility and customization.

For Generation Z, uniqueness and personalization are of great importance. This leads to changes in the business models and production processes of companies. More and more brands are introducing flexible approaches to the production and distribution of goods, providing the opportunity to customize products. For example, Nike offers its customers to create customized designs for shoes and accessories, which emphasizes the importance of consumer engagement in the product creation process. This approach helps companies become more flexible to meet the individual needs of young customers.

3. The growth of entrepreneurship.

Generation Z's desire for independence has also led to an increased interest in entrepreneurship. According to the research conducted by GO Banking Rates, 51 % of young people between the ages of 18 and 24 want to start their own business, and 14 % have already done it [6]. This is more than among any other age group. The desire to develop their careers and work for themselves contributes to an increase in the number of young entrepreneurs who create businesses in accordance with their values and desire for financial freedom. Such young entrepreneurs often develop innovative business models based on the digital environment and modern technologies.

4. Digital innovations.

Generation Z grew up in the digital world and has high digital literacy which makes them natural users of technology. Interaction with businesses in the digital environment is familiar and preferable for them.

Thanks to their digital literacy, representatives of Generation Z prefer convenient technologies, intuitive interfaces and smooth operation in the digital space, which will not only create amazing innovations, but also contribute to business success.

5. Social and environmental responsibility.

Generation Z pays more attention to the environmental and social aspects of business than previous generations, which leads to the need for companies to reconsider their business models towards sustainable development. More and more brands are integrating environmental standards and social responsibility into their activities. This generation demands an ethical approach to production, environmental friendliness of products and business transparency. Companies that follow these principles gain more trust and loyalty from younger consumers [7].

For example, the “Green” supermarket chain in Belarus is actively engaged in the implementation of programs to reduce the use of plastic. In some stores, points for collecting plastic

bottles have appeared and a system for using reusable bags and eco-bags have been introduced. Such initiatives attract the attention of young consumers.

6. Flexible working conditions.

Generation Z is already starting to change working conditions, moving away from the traditional schedule from 8 to 17. Instead, they want flexibility, collaboration, and remote work that fits their lifestyle. The approach was also influenced by the Covid-19 pandemic in 2020, when most companies had to switch to a remote work format. The influence of Generation Z preferences can lead to the transformation of corporate structures towards more flexible work schedules and remote work formats. The growing number of startups and small businesses focused on remote and flexible work reflects this trend and creates a more dynamic and diversified work environment.

7. Ways of communication

Digital Generation Z prefers fast and interactive forms of communication. These can be all kinds of messengers and social networks. However, despite the high level of digitalization, live communication and face-to-face meetings continue to be an integral part of maintaining high-quality communication, especially in situations where trust and deeper interaction are required. Generation Z expects honest and open communication from the company and offers adapted to individual preferences. That is why any business today must use the requirements of its digitalized consumers and implement flexible communication strategies both in digital channels and in live interaction [8].

As an example, the Belarussian company which successfully use various sources of communication with young consumers is our Belarusian clothing brand «Mark Formelle». It is successfully developing not only in social media, but also creating various thematic events for its consumers, where the brand can receive live feedback both from the younger and older generations to form their further fashionable clothing collections.

In conclusion it must be noted that Generation Z is significantly changing modern marketing approaches and business models. The main differences of this generation are its digital engagement, high awareness and desire for individualized solutions. Generation Z actively engages with brands through digital platforms, preferring personalized products and services, as well as demanding ethical behavior and transparency from companies. These features generate demand for new marketing strategies, such as the use of social media, influencers, user-generated content, and deep personalization of offers.

The needs and preferences of Generation Z contribute to changes in the economy. In particular, there is an increase in e-commerce, the development of omnichannel business models, as well as an emphasis on corporate social responsibility and sustainable development. Companies that adapt quickly to these changes are able not only to meet the demands of a new generation of consumers, but also to improve their competitiveness in the market.

In order to effectively interact with Generation Z companies need to develop their digital communication channels, conferences, implement personalized marketing solutions, take into account the importance of environmental friendliness and social responsibility, and actively use new technologies to create a unique consumer experience. Those companies that can integrate these elements into their strategies will be most successful in the face of market changes.

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