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Understanding Online Consumer Behaviour of Gen Z Consumers

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ABSTRACT

Purpose: The purpose of the research described in this paper is to explore the shopping habits and attitudes of individuals from the Generation Z regarding online shopping. This particular group of consumers expects various new devices and electronic processes to be widely available, thus offering consumers more autonomy and faster transactions. In addition, they expect the technology to enable them to make more informed shopping decisions.

Objective: The objective of this study is to explore the shopping habits and attitudes of Generation Z regarding online shopping. In this context, the main sources of information that are provided to buyers, and their preferences towards online shopping are examined. Generation Z mainly rely on personal experience and take quality and prices into consideration when choosing what to purchase, mostly considering other people's opinions. However, even though the internet is their main source of information, they still seek input from others in most cases before making purchasing-related decisions.

Methodology: A structured questionnaire has been used for primary data collection. Secondary data have been derived from the books, published research articles and bank websites. Data has been collected through questionnaires designed on a five-point Likert scale.

Findings: The findings showed that smart technologies have a significant influence on generation Z consumers' experiences. Moreover, this particular group of consumers expects various new devices and electronic processes to be widely available, thus offering consumers more autonomy and faster transactions. Generation Z youth mainly rely on personal experience and take quality and prices into consideration when choosing what to purchase, mostly disregarding other people's opinions. However, even though the internet is their main source of information, they still seek input from others in most cases before making purchasing-related decisions

Keywords: Generation Z, online shopping, autonomy, purchasing-related decisions.

Introduction:

Gen Z represents a generation of consumers who are born after 1995 (Dimock, 2019). Gen Z spends approximately three hours on the social media daily (WP Engine, 2019). When compared to millennials, Gen Z prefers to be entertained and does not mind experimenting with new content online (Durfy, 2019). Gen Z is devised as the largest generation in the human history (Gaudette, 2019) representing a huge purchasing power when compared to millennials (Arya, 2019). These characteristics make the Gen Z a very important consumer group.

The Generation Z, has been strongly influenced by technological development, their lives are basically unbelievable without the existence of smartphones and other digital platforms (Prensky, 2004. Williams and Page, 2011). Gen Z is growing up entirely in digital age as they are open to using new technologies to consume relevant information. Due to the increase in usage of internet Generation Z consumers is into excessive spending habit, because of many families have got increased their purchasing power and they are giving freedom to this generation in choosing their products and services as according to their will and wish. This young generation is more focused on social media based buying habits; they do review about products and services based upon their social networking. More usage of smart phones made these youngsters buying behavior into mere choosy and they are happy to share their opinions with them. Gen Z more focuses on quality and authenticity rather than price. If the brand is slow to engage or break their promise, Gen Z quickly switches to a competitor. It seems quality is the most important for them; once they like the brand, they continue to buy for a long time. They are more inclined to choose brands that endorse by celebrities. They need evidence from friends, family, or celebrities. They need brand loyalty to ensure that the brand is real and has good quality.

Gen Z	Gen Y	Gen X
Born between 1995-2005	Born between 1980 and 1995	Born between 1965 and 1980
Social Natives	Book smart and Savvy	Street smart and sceptical
Connected	Confident	No drama
Global minder	Global minder and balance	Balance
Friends =Family	Close to parents	Prepared rule settings
the first generation to have Internet technology so readily available	expanded use of technology compared to previous generations	less use of technology

Generation Z will experience significant changes in their life stages and income structures. These modifications are characterized by two aspects; the first one is that the income and consumption of this generation will increase considerably and, the second is that these changes will be sustained over time for a long time.

Characteristics of Gen Z

1. They're tech savvy

Gen Zers take their smartphones everywhere, use social media to its full potential, and expect to work for companies that prioritize technology.

2. Career development is a priority for them

Generation Z prefers to move up the corporate ladder. Employees in this age group want challenges and career development without risk.

3. They want detailed instruction

Gen Zers expect a lot of instruction from their managers. They grew up watching YouTube videos to learn how to do anything. They had Google and soaring parents to guide them through their assignments.

4. They question everything

Against the backdrop of the great recession, the global health and climate crises, and societal unrest, it's not surprising that Gen Z is more suspicious than older generations. They are cautious and skeptical, and aren't afraid to question everything and everyone, including their managers.

5. Gen Zers aren't afraid to fail

Millennials have a reputation as the trophy generation that grew up with rewards for even a little effort. That's not the case for Gen Z. They have realized their parents struggle and recover, and they understand that failure isn't the end.

6. **Gen Zers may not need constant recognition** for a job well done, but they do want to be heard. Employers need to engage with their younger workers, paying close attention to see what issues really matter to them.

Retaining Gen Z employees might be easier in times of economic uncertainty, but this group ultimately stays with an organization based on the environment the employer creates.

Literature Review

Generational researchers Corey Seemiller and Meghan Grace recognize a number of key areas that Generation Zers are viewing their careers, including enjoyment and happiness, fulfilment and passion, financial stability and opportunities for growth and advancement. Flexible work possibilities are attractive to Gen Z as they can build their work and personal life to match their needs and interests. Gen Z desires different and entrepreneurial opportunities with the safety of steady employment and will remain trustworthy to organization if they can offer this. Gen Z prefers individual jobs over team work however they will assess physical connection. They choose independence but not isolation.

According to Teresa Bridges (2015), GEN Z prefer work environment that nurture mentoring, learning and opportunities as they have faith in their education. Technology is their vital part of their lives and prefers position of workplace that encourages and allows them to communicate and work regardless of time zone obstacles.

Many people mistake Gen Z for the millennials. While they are similar in many ways, businesses stand to lose out if they fail to optimize their marketing and promotion techniques for Gen Z. So, here are three key points:

- Gen Z'ers are pragmatic, informed consumers, so you need to offer them products and promotions with real value
- They're also very socially aware, so you should be thinking of ways to become a more responsible brand
- Gen Z'ers switch between channels frequently, so you should consider implementing an omnichannel strategy.

Objectives

- To under the behavioural buying patterns of Gen Z while shopping online
- To understand the association between the household income and online spends.

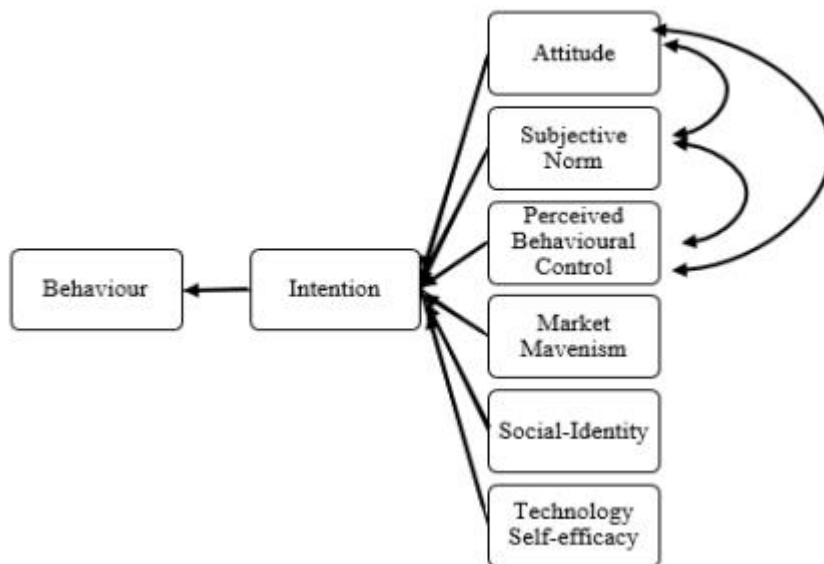
Research Methodology

This study used both primary data and secondary sources which were collected from various journals, research papers, websites, various reports, books and articles published online. Primary Data was collected with a sample of 76 respondents within the age category of 19 to 24. The sample set of respondents were only from the Hyderabad region. A well structured questionnaire was administered online via Google form survey.

Hypothesis:

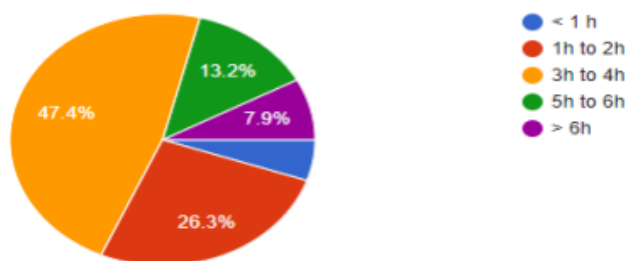
Ho: There is no significant association between checking User Reviews and Comparison of product to other websites.

Ho: There is no significant association between the household income and online spends



Conceptual model for consumer behaviour of Generation Z

Understanding the Online Shopping Behavioural Patterns & Hypothesis Testing: All the respondents chosen were from Hyderabad Area. Majority (47.4%) reported to using the web for 3 to 4 hours per day with Sunday (78.9 %) being the most active day when they used the internet. Flipkart(72.4%) and Amazon(65.8%) were highly rated as the topmost used sites for shopping followed by Myntra(25%).

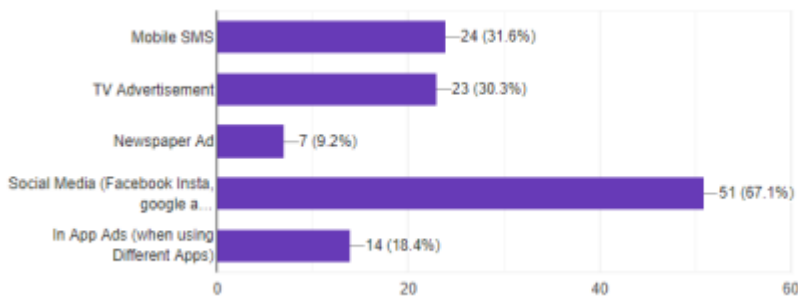


Testing Ho: There is no significant association between checking User Reviews and Comparison of product to other websites. Performing a Chi Square test to test the association between these two variables, we get -

Table 2: Chi Square Test

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.554 ^a	4	.235
Likelihood Ratio	5.412	4	.248
Linear-by-Linear Association	.516	1	.472
N of Valid Cases	76		

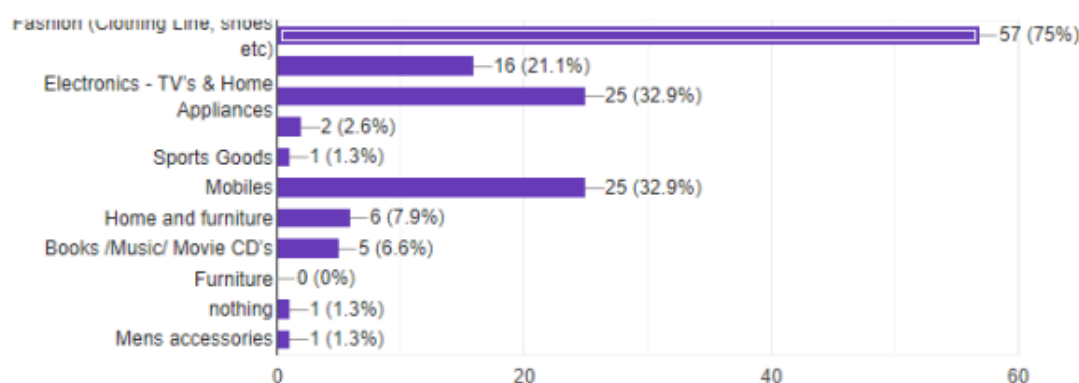
The current study confirms that Gen Z are more inclined towards Instagram as a means of getting the information about advertisement on products and deals . It also revealed that social media(67.1%) is the source through which the Gen Z get to know about the promo deals and Instagram being the major source. An interesting data about respondents reveals only 9% reference the newspaper print ad which shows the declining usage of print media over online media.



Testing Ho: There is no significant association between the household income and online spends.

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.119 ^a	12	.519
Likelihood Ratio	10.766	12	.549
Linear-by-Linear Association	2.637	1	.104
N of Valid Cases	76		

The value of .519 is greater than 0.05 (5% level of confidence). The result is statistically insignificant and we would accept the Null hypothesis. Thus there is no significant association between the household incomes of Gen Z and their online spends.



Conclusion

Gen Z are estimated to learn to live in a digital world of their own. Shorter attention spans, heavy media consumption and extensive research information at their fingertips allows Gen Z to make more informed decisions. Based on the findings of the research study on the Hypothesis, there is no connection between the household income and online spends. Instagram turned out to be the most popular used social media channel as also reported in numerous studies prior to this study. Gen Z wait for discounts and other sales before making a purchase and are not so much influenced by celebrities. They learn to make their own choices based on information research. Gen Z is mostly online for nearly 3 to 4 hours per day having a peak usage on Sunday. Flipkart and Amazon turned out to be the most widely used online media channel for shopping preferring the mode of payment as cash followed by wallet payments. Bank tieups and offering heavy Discounts on Wallet payments can push the Youngsters towards to go more Digital. Among the items consumed, shopping for fashion and beauty products ranked the highest whether it was male or female category. It is really important for brands to adopt their marketing strategies by making social media an essential part of their business in order to meet the expectations of the latest generation of consumers.

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