GENERATION Z: A CHALLENGE TO INDIAN MARKETERS

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Abstract: The generation succeeding millennials are Generation Z people. These generation Z people are born in there late 1990's to early 2000's. Gen Z has their own choices, preferences and also, they get influenced by various social media platforms. Gen Z people have their own uniqueness and behavior so they are a challenge to Indian marketers. This study has been undertaken to investigate the critical factors which influences Gen Z shopping preference and shopping behavior and to know how Gen Z people are affecting the Indian Market. Our findings indicate that Generation Z people were born into the digital era, they want to be independent and socially and technologically empowered. The people got influenced by social media platforms like Instagram.

Index Terms – **Generation Z, Indian Marketers, Social media platforms.**

I. INTRODUCTION

Generations are defined as groups of people who was born within the same span of years, who share a unique identity due to life experiences. Generation Z are born and grew up in the era of digital progress. They fluent with digital media and technology. Generation Z who was born between 1990s and 2000s, so some of them who was born on 1995 to 2001studying in university right now. Generation Z authentically have different requirement and difference motivating factor, they have their own uniqueness on need and workplace behavior. Their uniqueness influences their point of view and approach to work and education. Generation Z also known as I-generation, net-gen, and digital natives. Generation Z predicted by cultural analyst are different with previous generation in quantitative horizon. Special characters and preference of this generation influences by their nature. They live in digital era in which everything connected by Internet. Differently with generation before them, Generation Z never engaged in experience of living without Internet. As the result, this generation is used to with almost no delay time in interaction and communication word wide. This also influences their behavior and perspective in their daily life, including their shopping preference and shopping behavior. Although there are significant differences between generations, it can be said that each generation affects the way traditional brick-and-mortal retailers operate. In recent academic and practitioner literature, generation Z has increasingly become an interesting topic. As emphasized by Moschis et al.(2000), it is necessary to understand the specific needs and circumstances of the age group as consumers, this is especially true for Gen Z. However, in contrast to others generations, little is known about Gen Z in the retail environment. Therefore, retailers must understand and communicate with the members of Gen Z. To advance understanding of Generation Z consumers in the retail environment, the paper presents the results of an extensive review of the recent literature on Generation Z members and their consumer-related behavior. The purpose of this article is to explore the concept of the generation group known as Generation Z and its impact on physical retail, and to determine a framework for classification and analysis. While millennials grew up with iPad plugged into their ears, Generation Z customer's first device were iPhones. It seems that consumers who own an iPhone are extremely Likely to remain within the apple ecosystem. The brand has found a generation of loyal customer in generation Z. Grown up together with Facebook, YouTube and WhatsApp, there is no doubt that Gen Z are prolific and social media users: good at manipulating media to build influence, make money, and discover brands and new ideas. As the first generation ignorant of Snapchat and Renren's life, platforms like these are where Gen Z socialize, get news, watch videos, and shape multiple identities. These young people, teens and tweens do not go "online", they live on the internet. This does not mean that they do not care about the use of social media, but more than 50% of the people worry about the wider impact of social media on society, and two-fifths are worried about the impact of social media on their health.

II. LITERATURE REVIEW

Savitt (2011) emphasizes the fact that Gen Z are aggressive and trend-setters. Social media removes all forms of barriers and companies, because Gen Z will conduct extensive research and review of potential employees before they get employed. In Asia as the birth rate drops, employers will have to rely on smaller group of workers to support them and set out to fix the environmental and debt problems caused by previous generations. The talent shortage in Asia will become severe as organizations must work harder to compete and to attract the best Gen Z employees.

Max Mihelich. (2013) describes that Gen Z is very concerned about environmental issue and very aware of the imminent shortage and water shortage, which shows that they have a high sense of responsibility for natural resources.

Dan Schawbel (2014), compared to Gen Y, Gen z tends to be more entrepreneurial, more trustworthy, more tolerant and less motivated for money. They have more realistic expectations for their work and are optimistic about the future.

Bevan-Dye and Dandaloo (2014); Barenblatt (2015); Benhamou (2015); Williams (2015): We must have a more comprehensive understanding of the attitudes of this generation to social marketing communications. For more than a century, many advertising models that establish marketing communication goals have been assumed to represent the attitude stage consumers may go through before buying. The debate about the use of single-component (one-dimensional) and multi-component attitude models has been intense.

Lucie Greene (June 2015) in his article explained that, where Millennia's say they're concerned about the environment, Gen Z is doing stuff about it already. Where millennial celebrities came from staged reality TV shows, Gen Z is wise to this and prefers its celebrities homegrown. This generation wants to see its peers in the picture, whether that's on gaming platforms or YouTube. Where Millennial got in to debt for their education and are now splurging all their free money on experiences, travel and food (rather than save for a mortgage), Gen Z is exploring alternatives to higher education and saving for the future.

Krbova P, Pavelek T. (2015). Expert and Market research firm indicate that gen z would be viable consumer sect for online retailing in Asian and other developing economic due to penetration of cheap Chinese smartphone and the ever-increasing appetite for sophistication. Consequently, the shopping orientation of new generation must reflect the socio-economic and cultural change in the society. Despite this compelling opportunity, there is a paucity of research on this front and that prompted the researchers to explore this generation cohort.

Kartik et al.(2016) found that youth from developing nations are thriftier when it comes to shopping, as they wait for the right deal to pop up and do extensive search and compare before making up their mind to ensure that gen Z wants material gain some free products or a good discount and it is increasingly encouraged by predatory pricing or deep discounting by competing rivals to win them over. this led to the third proposition that 'many of the gen Z consumers will show value consciousness when they shop'.

Seemiller and Grace (2017), Stated in their study that while gen Z shares some characteristics with millennials, it is quite a different generational cohort with its own specific and characteristics. This young generation is 'the next big disrupter for apparel and retail industry' according to a Women's wear daily and they are also widely perceived and reported as possessing great purchasing power due to the widespread opportunities opened up by digitalization and globalization of economics, and it is estimated that they would over by the year 2020.

Sonica Singh, Says that generation Z is more device dependent and more trusting of digital content, he observed seven characteristics of Gen Z (spanning psychological / behavioural, sociological and demographic categories) are Device Dependence, Expectation of Information on Demand, An Emotional Connection with the Digital World, More Trust in Digital Sources of Information, Reduced Impact of Physical Environment, Social Circles Not Restricted by Geography, Many Gen Z consumers in Developing Countries.

Mallory Schlossberg, Come to conclusion that, they want to see the brand is authentic and is worthy of their time, money and values, they will only wear clothing that aligns with their values, has a social cause, and represents who they really are.

III. OBJECTIVE

1. Understanding the impact or effects of Generation Z on Indian marketers.
2. To understand the critical factors which influences Gen Z shopping preference and shopping behaviour.

IV. HYPOTHESIS

The hypothesis are:

H0- there is no significant relation between gender and their social preference

H1-there is a significant relation between gender and their social preference

The hypothesis are:

H0- there is no significant relation between gender and the time spent on social media

H1-there is a significant relation between gender and the time spent on social media.

The hypothesis are:

H0- there is no significant relation between gender and celebrity endorsement effect.

H1-there is a significant relation between gender and celebrity endorsement effect.

The hypothesis are:

H0- there is no significant relation between shopping preference and influence factor for shopping online.

H1-there is a significant relation between shopping preference and influence factor for shopping online.

V. RESEARCH METHODOLOGY

The study aims to understand the impact of Generation Z people on Indian marketers, as Generation Z people have a different requirement, approach and behavior than Generation X and Y people. Generation Z is the youth population of India who drives our country. To understand their (Generation Z) buying behavior, we need to study the importance and usefulness of some critical factors to influence Generation Z's buying behavior. Primary and secondary data sources were used in the study. The secondary data for this study is collected from various research papers using Google search and ProQuest and then primary data is collected using a descriptive research design, in which a structured questionnaire is used to collected responses from Z Generation people. The target segment is people from Generation Z of different occupation and gender located in Mumbai. The sampling method used here is the convenience sampling method, and the sample size is 80. The software used for the analysis is SPSS.

VI. DATA COLLECTION

A structured questionnaire of 18 questions was used to collect primary data and it is given at the end of the project. The questionnaire is divided into three parts, part A (Personal Profile: 4 questions), part B (Generation Z Behavioral mapping questions: 13 questions) and part C (open ended question:1). Questions in part B are combination of 5point Likert scale ranging from 5: Very High; 4: High; 3: Neutral; 2: Low; 1: Very Low and multiple-choice questions which can be analyzed using SPSS software.

VII. DATA ANALYSIS AND TESTING

Table no:1

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
gender of respondent * Social preference	80	100.0%	0	0.0%	80	100.0%

Table no 1(a)

gender of respondant * Social preference Crosstabulation

Count

		Social preference				Total
		Facebook	twitter	Instagram	Snapchat	
gender of respondent	Male	10	0	39	1	50
	Female	1	1	25	3	30
Total		11	1	64	4	80

Table no 1(b)

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.921[a]	3	.048
Likelihood Ratio	9.014	3	.029
Linear-by-Linear Association	4.808	1	.028
N of Valid Cases	80		

a. 5 cells (62.5%) have expected count less than 5. The minimum expected count is .38.

Table no 1(c)

The hypothesis are:

H0- there is no significant relation between gender and their social preference

H1-there is a significant relation between gender and their social preference

Since the significant value of 0.048<0.05, we accept H1 and conclude that there is a significant relation between gender and social preference.

Table no:2

gender of respondent * shopping timeline Crosstabulation

Count

		shopping timeline					
		Weekly	once in a month	twice in a month	once in two month	any other	Total
gender of respondent	male	0	11	6	20	13	50
	female	4	4	7	11	4	30
Total		4	15	13	31	17	80

Tableno2(a)

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.369[a]	4	.035
Likelihood Ratio	11.633	4	.020
Linear-by-Linear Association	2.988	1	.084
N of Valid Cases	80		

a. 3 cells (30.0%) have expected count less than 5. The minimum expected count is 1.50.

Table no 2 (b)

The hypothesis are:

H0- there is no significant relation between gender and the time spent on social media

H1-there is a significant relation between gender and the time spent on social media.

Since the significant value of 0.035<0.05, we accept H1 and conclude that there is a significant relation between gender and the time spent on social media.

Table no.3

gender of respondent * celebrity endorsement effect Crosstabulation

Count

		celebrity endorsement effect		Total
		Yes	No	
gender of respondent	Male	20	30	50
	Female	5	25	30
Total		25	55	80

Table no 3(a)

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	4.752[a]	1	.029		
Continuity Correction	3.728	1	.054		
Likelihood Ratio	5.039	1	.025		
Fisher's Exact Test				.045	.025
Linear-by-Linear Association	4.692	1	.030		
N of Valid Cases	80				

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 9.38.

b. Computed only for a 2x2 table

Table no 3(b)

The hypothesis are:

H0- there is no significant relation between gender and celebrity endorsement effect.

H1-there is a significant relation between gender and celebrity endorsement effect.

Since the significant value of 0.025<0.05, we accept H1 and conclude that there is a significant relation between gender and celebrity endorsement effect.

Table no:4

shopping preference * influence factor Crosstabulation

Count

		influence factor				Total
		usefulness	past experience	security	ease of use	
shopping preference	offline	4	2	2	6	14
	online	0	6	1	4	11
	both	10	17	4	24	55
Total		14	25	7	34	80

Table no 4(a)

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.865[a]	6	.333
Likelihood Ratio	8.544	6	.201
Linear-by-Linear Association	.008	1	.928
N of Valid Cases	80		

a. 8 cells (66.7%) have expected count less than 5. The minimum expected count is .96.

Table no 4(b)

The hypothesis are:

H0- there is no significant relation between shopping preference and influence factor for shopping online.

H1-there is a significant relation between shopping preference and influence factor for shopping online.

Since the significant value of 0.333<0.05, we accept H0 and conclude that there is no significant relation between shopping preference and influence factor for shopping online.

VIII. RESULTS AND FINDINGS

The samples of 80 Generation Z people were taken, to the understand the impact of Generation Z on Indian marketers and also to know about the critical factors to influence Generation Z people. From this study we understand that,
Generation Z people were born into the digital era, they want to be independent and socially and technologically empowered.
Generation Z people spend more time on social media and Instagram is the most preferred social network.
67.5% of the Generation Z people prefer both online and offline shopping experience, those who prefer online shopping experience, get influenced by the factors like ease-of-use online shopping, their past experience of online shopping and its usefulness.

Chart no 1

Chart no 2

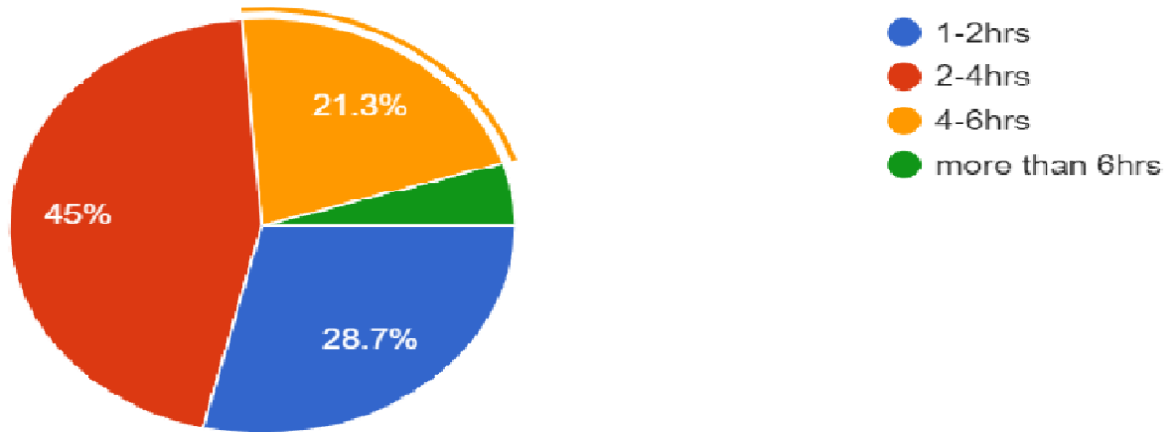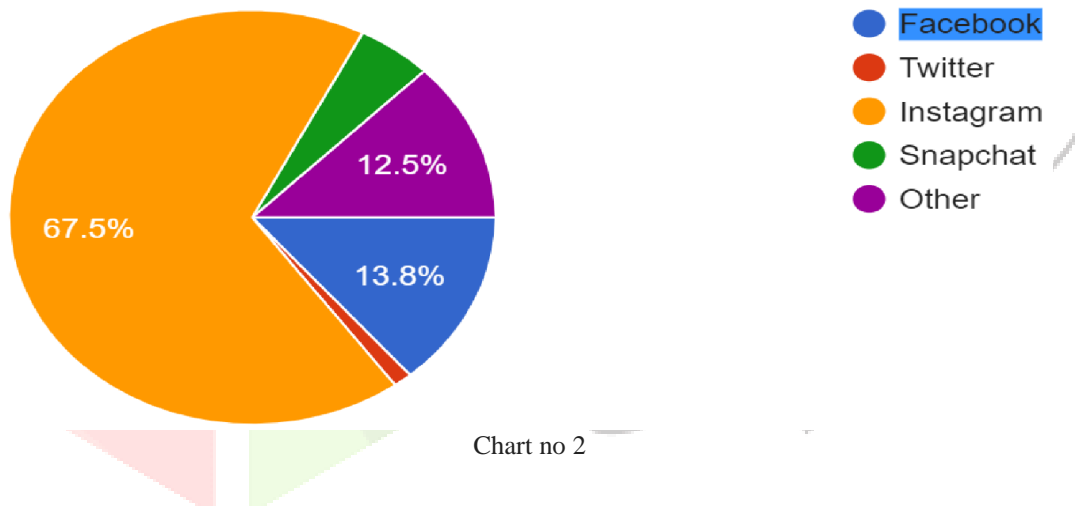Below is the list of factors which the choice preference of Generation Z people while shopping

Factors affecting choice preference	Very low	Low	Neutral	High	Very High
Products Brand	0%	3.8%	26.3%	47.5%	22.5%
Products Quality	0%	1.3%	17.5%	30%	51.2%
Uniqueness of the Product	0%	2.5%	27.5%	36.3%	33.8%
Price of the Product	0%	2.5%	30%	40%	27.5%

From the above table, we observe that all these factors somehow affect the choice preference of Generation Z people, but the most preferred factor is the quality of the product on which Generation Z people choice preference is dependent on.

IX. CONCLUSION

From the study of Generation Z people, we get to know about that Generation Z authentically have different requirement and difference motivating factor, they have their own uniqueness on need and workplace behaviour.
This study will help Indian marketers to know which platform Generation Z people use the most, so that they make use of these Social Platforms to influence the buying behaviour of Generation Z customers.
We also get to know about the factors that Generation Z people consider while buying any product, which will help the Indian marketers to focus on those factors to generate profit.
67.5% of the Generation Z people prefer both online and offline shopping experience, those who prefer online shopping experience, get influenced by the factors like ease-of-use online shopping, their past experience of online shopping and its usefulness.

X. LIMITATIONS AND SCOPE OF FURTHER STUDY

Limitations:

The study sought to assess the challenges faced by Indian marketers to satisfy Generation Z people/customers for which the sample was taken from Navi Mumbai (Kharghar). For this reason, the findings may vary if applied to a higher sample. Also, the sample size is limited, which may affect the results with higher sample size. Time and financial constraints were other limitations that the researchers encountered in the research. The topic of the research is a qualitative one and the findings should not be generalized as such and are only indicative.

Scope:

- There is scope for further research into the challenges faced by Indian marketers that depend upon the buying behaviour and different choice preference of the Z Generation.
- Taking different regions for the study will give a broader scope and much clarity to this research.

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