

A FRAMEWORK ON UNDERSTANDING EXPECTATIONS OF GENERATION Z ON ONLINE SHOPPING

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Abstract

Gen z being digital natives doesn't know a world without technology or the internet, for their day to day life they at least use two screens. They don't know a world without technology so the way they perceive the world is different from other gens, other gen consider technology as a luxury but gen z consider it as a normal part of their life to complete their daily work. They use e-commerce websites for buying various products so they expect more feasible sites and good products with affordable prices. Understanding their Expectation can help e-commerce to frame user-friendly digital services to gen z and it will be easy for e-commerce to persuade gen z. This study aims in identifying the expectations of gen z in online shopping as well as tries to suggest various techniques that can be implemented by e-commerce for their marketing. This study will be useful for all new-gen e-commerce and start-ups in social media to market their products to reach gen z.

Keywords: Gen Z, E-commerce, Persuade, Online shopping

INTRODUCTION

Analyzing psychological characteristics along with demographic indicators will help in better understanding of a selected group. Segregating the population into generations tries to characterise a group of persons who were born in the same historical period and have similar cultural and social origins, resulting in commonalities between their perceptions, interests, and actions. However, depending on the environment of each historical epoch, all generations experience changes. Each generation cannot be defined solely by a sample of people of the same age group, but also by a collection of shared beliefs, concepts, and lifestyle.

- The letter Z in Gen z is derived from the word zapping, which describes the behaviour of rapidly changing TV channels in pursuit of topics of interest while disregarding everything else, Berkup(2014). It refers to the generation of people born between the mid-1990s and 2010, who are commonly classified as "screen addicts". Individuals in Gen z have never known a world without fast and constant access to the internet (Duffett, 2017). This generation was born under the influence of new technology, such as cell phones, tablets, Wi-Fi, online gaming, and social networks, which distinguished them from earlier generations such as the Baby Boomers, gen x (Barclays 2013; Meirinhos 2015). Most of these gen z people would be unable to recall or comprehend life before smartphones and social media. A set of characteristics can be used to differentiate Gen z. They are distinguished mostly by their entire faith in technologies, open-mindedness, intelligence, excitement, innovative and entrepreneurial attitude, and adherence to ethical and deontological ideals. These people are highly qualified, technologically experienced, innovative, and creative (Flippin 2017; Priporas et al. 2017).
- Currently, there are around 4 billion people worldwide who are connected to the internet, with 85 percent of them going online at least once every day. 92.6 percent of these connect via mobile devices. Consumers are spending more time with digital media and digital devices, so the internet, mobile technology, and digital innovation have changed consumer behaviour and have a big influence on how they interact (Nielsen 2019). It also influenced how people communicate with one another, how they work, how they obtain information, and how goods and services are acquired (Caro et al. 2011). With all of this, the world got smaller, more active, and everything was just a click away (Kotler et al. 2016).
- Online commerce, often known as e-Commerce, is a business transaction conducted through electronic devices in which goods, services, or information are exchanged (Salvador 2013). With various benefits over traditional purchase methods and old security issues already resolved by technology advancement, internet platforms have the potential to become one of the most important commercial channels (Lin and Rauschnabel 2016; Ryan and Jones 2009).

- Personal traits, particularly age and gender, are thought to be crucial in understanding consumer behaviour. Peral-Perrelet al.(2015) argue that these demographic indicators are insufficient to fully comprehend the incentives that drive individuals to adopt technologies and used psychological characteristics in their study to better understand the use of online social networks.

OBJECTIVE

- The main objective of this study is to derive a framework for retaining this gen z by studying their behavioural characteristics and understanding their expectation on online shopping. Various strategies were identified in this study for online shopping to retain this focus group.

SCOPE

This study helps in identifying strategies to persuade gen z psychologically by understanding their needs, Gen z being the future spending generation and generation which consider online shopping as normal when their online behaviour is understood it will help brands in persuading gen z easier and without much intervention of other marketing strategies like digital marketing.

REVIEW OF LITERATURE

Ilangovan Perumal, 2019 - This study looks at how Generation Z feels about using the internet for E-commerce in Selangor, Malaysia. Attitudes toward internet use, computer literacy, consumer lifestyle, and perceived ease of use were all investigated. The study included four independent factors that indirectly impact e-commerce: attitude towards computer literacy, customer lifestyle, and perceived ease of use. All of these characteristics had a significant impact on the study's findings, but the researcher also discovered several independent variables that have a significant impact, including perceived trust, perceived gain, and perceived danger. E-commerce is also linked to these independent factors.

Mary Rani Thomas, 2018 - This study aims to see if online website cues (such as Product presentation and Perceived interaction) have a significant impact on generation Z's by intention, which is mediated by the trust factor. The study investigates trust as a mediating element to fill in the gaps of prior material that fails to include trust in the context of consumer behaviour since trust is a critical component in risk and uncertainty situations. Online shopping is a type of purchasing that involves a lot of contact with computers and consumers, similar to how a salesperson in a traditional store might influence a customer's purchase decision.

Patricio Esteban Ramírez-Correa, 2019 - This study looked at how customers' attitudes toward internet purchasing differed. A face-to-face survey was used to collect data in Chile. Psychological variables were taken into account in addition to demographic characteristics such as age and gender, to better understand the motives that cause people to participate in online purchasing behaviour. Individual characteristics like inventiveness, optimism, discomfort, and insecurity were gathered from the TRI to see if they had an impact on online purchasing participation.

RESEARCH METHODOLOGY

A qualitative study is carried out on the online behaviour of gen z, Secondary data is used for evaluating the nature and understanding the expectation of gen z. A model framework derived from the secondary analysis and strategy for persuading gen z is proposed

Behavioural characteristics of gen z in terms of online shopping

Generations are influenced by the environment in which they were born, and their tastes shift with time. Gen z is often referred to as a 'digital native' (Smith, 2017; Adeola et al., 2020; Reinikainen et al., 2020). Born between 1995 and early 2012, they are the newest generation (Priporas et al., 2019). Over a day, this audience consumes nearly 11 hours of content across multiple devices (Adobe, 2018). Digital advertising on social media is highly likely to be seen by them, and they check Instagram at least five times a day (Chen, 2018; Emmanuel, 2019; Vitelar, 2019). Their spending preferences, which are still maturing, can be divided into two categories, 16-year-olds and above in Gen z are most likely to spend their money on clothes, beauty products and car expenses. They're also more likely to spend it on groceries, experiences and eating out than any other generation, the younger members of the generation prefer to spend their money on toys, clothes, games, movies, and food.

- The E-commerce industry is booming and using various techniques to reach their customer through large amounts of information and digital marketing, but gen z ignore everything they deem irrelevant, including advertisements, in the process. Therefore, they want brand advertising to be transparent and simple because of their constant multitasking. Considering that they are constantly monitoring a variety of situations,

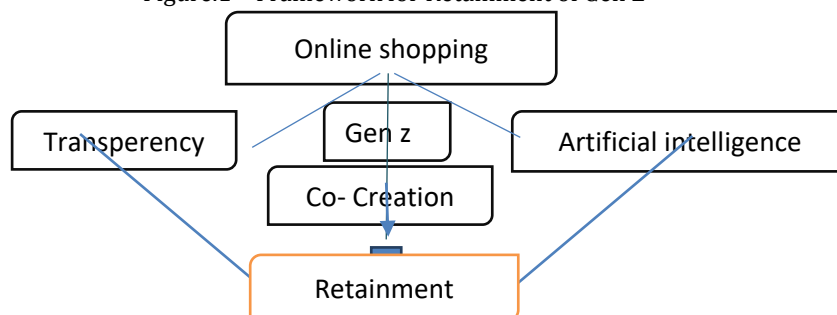
they require a smooth transition from one product to another. As Gen z has grown up with the internet, social media engagement has become a way for them to find inspiration (Brewis, 2020). 41 per cent of gen z consumers are impulse buyers, compared to 34 per cent of Millennials and 32 per cent of Generation X consumers, according to new research. Various environmental factors can act as a stimulus (S) that influences a person's emotional state (O), which then elicits a response (R) (Mehrabian and Russell, 1974). As a result, this model suggests that human responses to stimuli consist of three steps: stimulus, organism, and reaction. It was later adapted to retail strategy and consumer behaviour. Influence of social media on impulse purchases (Al-Zyoud, 2018; Chen, 2018) states that impulse behaviour varies based on gender too. According to Fernandes and Panda (2019), girls are more susceptible to social influence from their peers than males, it was found to influence gen z females' impulse purchases.

- They want the newest items faster. To meet the needs of this target audience, brands must develop marketing strategies. They are less loyal to brands, and they are quick to adopt new trends (Elmira Djafarova, 2020) they have a growing influence on their friends and family when making purchases (Coray, 2019).
- For uncertain shopping decisions, they use social media as a source of reality checks. To self-evaluate before making purchase decisions, they read product & service reviews and recognise peer validation. Before making a buying decision, they typically gather information from sources they believe to be accurate and authentic. Social proof is an important factor for gen z. Brands/ companies must be socially responsible in the eyes of this generation of customers. Gen z believe that human beings are unnecessary when they can complete a task by themselves.
- When technology is available to assist them, they do not see the need for a second person. They tend to think that technology is more reliable than human beings, even though human beings are more complex. If their social media habits are any indication, gen z prefer brands that can engage them with individualised content and provide rapid solutions to their questions (John Wheeler, 2019). Chatbots are perceived by gen z as an important factor for online shopping services and to build trust in products. Gen z are more likely to believe that chatbots make it easier for them to get their problems resolved. They are also the most likely of all generations to have used AI for any purpose, including customer service (NICE in Contact CX, 2019)

Framework of Gen Z

- Experiences, not products or services, are what gen z purchase. Gen Z who are treated as special rather than that of another customer who develop relationships with those companies. This group of customers are looking for the ability to endorse and support companies that share their values. Gen z is expecting Co-creation from brands they are buying. Customization of products is normal for gen z, as they expect ethical value from brands they buy and also expect the brand to be socially responsible.

Figure.1 – Framework for Retainment of Gen Z



The above framework was created based on the studies from the behavioral characteristics of gen z and their expectations in online shopping.

SUGGESTION

Gen z in order to make purchasing decisions, in case, if they are unsure about the brand, they utilize social media as a source for verification of brands. Before making a purchasing decision, they examine product and service evaluations and recognize peer endorsement. So e-commerce must include influencer identification marketing practices as part of their strategy to gain trust among them. Micro influencer plays a major role in influencing gen z as they are a big part of social media influencing.

When it comes to client connections with gen z, they live in the virtual world, yet seek benefits similar to those found in the real one. These advantages include regular engagements through discounts, emails, and text messages, as well as the ability to be heard through Co-creation with the brands/companies with which they are often engaged in purchases. E-commerce should focus on affordable customization as part of their marketing and should connect with gen z often through mobile channels personally. Personalised offers and communication attracts gen z and creates brand loyalty.

When it comes to service during shopping they consider the intervention of humans as unnecessary but they expect feasible and user-friendly e-commerce websites, so it is necessary to concentrate on chatbots design and optimized websites for mobile..Perhaps the most distinguishing feature of this generation is their affinity for visual imagery. Generation Z is pioneering a movement in consumer preferences, indicating that they like to view a thing before purchasing it. This is due to the increased use of social media for business, as well as the imagery used to promote things online.

When it comes to delivery in e-commerce they are more inclined to the scheduling of orders and timely delivery. They want their orders to arrive on time, and E-commerce websites should have a tracking tool to keep them updated on the status of the goods they bought. When it comes to loyalty generation z don't rely on the same brand because of various availability, but generation z focuses on the value of a product so maintaining a good quality of product will help in retaining gen z.

CONCLUSION

Generation Z represents a significant shift in customer priorities. While product quality is still important, today's youthful buyers are influenced at least as much by their shopping experience. However, Generation Z is increasingly looking for a social component to their participation. Young buyers appreciate their friends' opinions, and social media provides a way to get instant feedback about products. It's simple to see how the number of likes or the tone of comments beneath a product post may influence a buyer's choice. Because e-commerce has no control over the court of public opinion on social media, they should make the most of it. Positive, real customer content lends credibility to items and produces positive feelings in customers by making them feel like they belong. Peer validation is an important element of the consumer journey for Generation Z, and user-generated content may assist provide that demand. Brands will be under pressure from Generation Z to deliver faster, richer, and more inclusive consumer experiences. The need for timely, varied information and community-driven interaction has never been so high as this generation. Only the appropriate instruments will suffice in delivering this material.

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