

# Understanding Digital Consumer: Generation Z Online Shopping Preferences



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**Abstract:** *This research tests the preferences of generation Z in online shopping, which platforms they use more often and become their choice in shopping online. This study used a direct survey to collect data from 513 respondents with consumers intercepting randomly in several locations Survey questions are compiled from previous research questions and focus group discussions (FGD). the collected data is processed qualitatively uses descriptive analysis to clearly describe the preferences of generation Z. The results showed that generation z preference on online shopping was influenced by high visual-person involvement with images or images, the need for justice, instant thinking, clear information needs in online shopping affecting their choice of social media as a first choice but they also appreciated the market places platform because of its convenience features. Generation Z was chosen in this study because this generation has an important role in determining the standards of online marketing. This research is important for the world of digital marketing where the results of this study are useful to support the planning of effective and efficient digital marketing strategies. Online shopping has become a trend today and can be done more easily through the presence of an online shopping platform. Nevertheless social media is also an alternative in shopping online. Many of consumers use social media platforms to shop online. Both types of platforms, which are preferred and what determines the preferences for shopping online is really important to understand for help business to decide effective and efficient marketing strategies for them.*

**Index Terms:** digital media marketing, online shopping, Z Generation, Digital Consumer

## I. INTRODUCTION

Digital world progress has provided many advances and changes in various conventional behaviors. Web-based platform facilitate online behavior which drug real-word social relationships migrated to virtual world [1]-[2]. One of these behaviors is shopping behavior. Shopping previously done face to face, todays, it can be done online without having to meet directly between seller and buyer.

Many platforms for online shopping today. Beside of online shopping platforms, there is social media platforms that also become alternative platforms for online shopping. As we know that social media is one of very popular and exist digital product. Shopping online is a trend for several reasons. People generally choose to shop online because by shopping online: the customer does not need to go out to shop so they can avoid congestion, the customer can make price comparisons and get the best prices, customers do not need to have face-to-face meetings so they can avoid intervention from salesmen[3]. According to research [3] there are four factors that determine in online purchases, namely: Convenience, Information, available products and services, cost and time efficiency. While the factors that make people avoid shopping online are security, accessibility of online products, social contact and dissatisfaction with online shopping. In simple terms, it can be said that the simple requirement to obtain engagement with customers on online shopping is to fulfill these four criteria and minimize the things that should be avoided. Today online shopping can be done more easily through the presence of online shopping platforms or market places. Besides that, social media is also a fairly popular media that is favored as an option in shopping online. many consumers use social media platforms to shop online besides special shopping or marketplaces platforms. Based on research, as in [4], shows that social media facilitates ongoing consumer interactions that increase trust and intention to buy. the use of social media has an influence on online buying decisions[5]. The problem is that of the two types of platforms, which ones are actually preferred and more used by consumers to shop online? This is important to know especially for entrepreneurs who are just starting a business or new technoprenuer who are pioneering their businesses, where it is necessary to plan effective and efficient digital marketing strategies to support their business well-developed. To survive in today digital environment, digital marketing can find engagement strategy to engage with their customer. Engagement can be reached through known understanding of customer preferences. Companies can attract customers and know which digital marketing strategies are really engaging and prompt repeat business[6]. The digital world very attractive for marketing where many researchers that attention pay attention to online marketing such as social media marketing [6]-[7]-[8]. Companies can attract customers with digital marketing strategies that are engaging and prompt repeat business.

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# Understanding Digital Consumer: Generation Z Online Shopping Preferences

One of the most important things in marketing is knowing and recognizing consumers well, one of which is generation-based segmentation. Generations are defined as groups of people born within the same span of years who share experiences [9] Related to digital marketing, it seems that generation Z is a rising star where it is believed that this generation has a significant role in determining standards for online marketing. Base on some previous research, the Generation Z or I gen is very attractive online consumer [10]-[11]. Generation Z are those who was born between the 1990s and 2000s .Generation was born and grew up in the era of digital progress. They fluent with digital media and technology. In line with the things mentioned above, in order to answer the above problem statement, through this research, we intend to examine the preferences of generation Z in online shopping, which platforms they use more often and become their choice in shopping online, as well as reasons the background of their choice. it is important for online businesses to understand not only their consumers' perceptions, but also which factors influence their shopping decisions[12].

## II. LITERATURE REVIEW

### A. Marketing to digital consumers

To engage with their customer, today firm cannot ignore about existence of digital media as part of their marketing. Digital media life totally different with conventional life. Previous study results, as in [3] show that marketing communication process differs between offline and online costumer decision. There are several things that influences online shopping decision such as convenience of the internet, information provide and other customer's reviews, available product and services by provide more variety of products and services, cost and time efficiency by best deal offer on online[3]. Customer in digital life who known as cyber customer or digital consumer is more demanding in such clearly information about product. They have expectation that everything could be customize[6]. According to reference [2] to engaged with their customer in digital media, there is two main methods for developing this engagement, first is maintaining or reinforcing the high level of digital marketing usage, and second is adopt various kinds of social media interaction to increase usage of digital marketing. Previous research belief that generation Z could be some parameter to understand about digital consumers[11]-[13]-[14]. Z generation has unique preferences yang dapat dijadikan patokan untuk menentukan selera berbelanja online terkait dengan digital consumers.

### B. Understanding Generation Z

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 [9]. Generation z was 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 2001 studying on university right now. According to reference [12] 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 [9] Generation z also known as I-generation, net-gen, and digital natives [13]. Generation z predicted by cultural analyst will different with previous generation in quantitative horizon [10]. Special characters and preference of this generation influences by their nature. They live in digital era which everything connected by Internet. Differently with generation before them, Generation z never engaged in experience of living without Internet [13]. 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.

### C. Online Shopping preferences

There are several things that determine consumer preferences in online shopping. Preferences are not separate from perception or acceptance of consumer that related to shopping activities. Based on the result of previous study as in [12], there were five factors that influenced consumers in online shopping, namely: perceived usefulness of online shopping, perceived ease of use of online shopping, past experience with online shopping, perceived security of online shopping, and perceived uncertainty of online shopping. Other research states that one of the things that attracts consumers in online shopping is website content that could facilitate them to raise their identities where they could share their shopping feelings and experiences [15].

## III. METHODOLOGY

This study was used a direct survey to collect data, Data were collected from 513 respondents (generation Z) consist of 276 female respondents and 237 male respondents. We randomly intercept consumers in several locations Respondents were asked to participate in the study and could decline, so participation was voluntary. Respondents then were informed of the study content and assured anonymity in responding. Completion of the self-administered survey was voluntary and thus respondents consented to participate in the study when they agreed to complete the survey. Respondents who were included in this study were those who met the category as generation Z. The survey questions are compiled from previous questions study as in [12]-[15]. The focus groups discussion (FGD) was conducted before the questionnaire was distributed to check whether the questionnaire that had been prepared could be understood correctly by the respondents. We designed several numbers of open questions to provoke sharper answers from respondents in Focus group discussions. As the result of this FGD, we redesign several questions that are affirmative to test the consistency of answers from respondents. This study uses descriptive analysis to clearly describe the preferences of generation Z without looking for a causal relationship from the existing factors. The purpose of descriptive research is to describe phenomena and their characteristics, and focus more on facts compared to the reason why something happened[16].



IV. RESULT

Based on collected data that show in fig.1. below, 53% respondents using social media for shopping and 47% respondents specifically using online shopping platforms for shopping. Preferences of generation z to use social media to shop related with their daily habits when using internet.

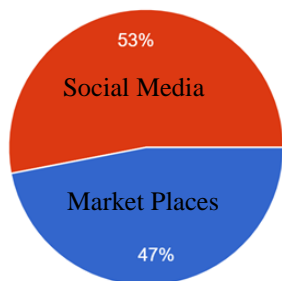


Fig.1. Online Platform that is often used to shop online

Generation z in their daily lives is always connected virtually through social media networks. So, that’s very possible for them to use social media as shopping platform too. Through this finding, we could interpret that generation z preferred to shop using social media than market places. however, we cannot ignore 43 percent of respondents who shop using the market places platform. this is a not small amount. Respond to these results, marketers can take advantage of the two existing platforms to do their marketing without ignoring one of them.

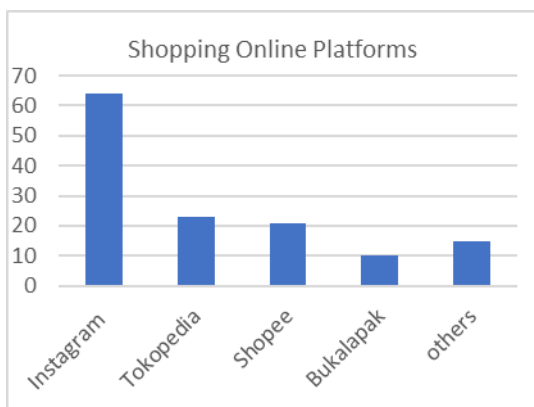


Fig.2. Specific Shopping Online Platforms that is often used to shop online

Specific online platforms that used in online shopping by the generation z are described in fig 2 above. Instagram is a favorite choice for shopping, followed by Tokopedia, Shopee and Bukalapak. While the rest use several shopping platforms like Lazada, JD.id, Zalora, Facebook, Line and others. This finding shows that z generation have high engagement with Instagram as their preferred social media. As their favorite market places platforms their chose using Tokopedia, Shopee and Bukalapak. Generation z have pleasant feeling with online shopping. This could interpret through their answers of the question about fun of online shopping. Almost of the participant agreed that online shopping is fun because of many discounts, easiness and timeless. This finding relevant with previous research on online shopping decision that highlight on easy navigation and access on internet make people likes online shopping [8]. Based on data collected we could conclude that online shopping provides easiness and fun for customers.

A. Perceived usefulness of online shopping

Consumer’s perceived usefulness of online shopping in this study were measured by three survey items: less time-consuming, lower prices and more convenient. Result shows that generation z strongly agree that online shopping is fun and give many advantages, such as easiness, which they could buy everything they need without have to go to store, so they could save more energy and less effort, without must go out automatically they could save transportation fee so value of product become higher. Online shopping also gives them easiness to price comparison, without must visit many locations. These features give them feeling of fair treatment, that sometimes hard to get in conventional store. From this result we could assume that generation Z has specific need to fair treatment, really concern about instant and easiness in their daily life that they want to using minimum effort to get maximum benefit. Their tendency to cut many processes in conventional life, create them become more impatient and intolerant than generation before. This in line with previous research that also mention about generation z tends to impatient and instant-minded [1] [2].

B. Perceived Ease of Use of Online Shopping

Perceived ease of use (PEOU) is the degree to which a person believes that using a particular system will be free of effort[12]. Generation Z perceived ease of use was identified by: easier to compare products and prices, easier to find the right product, easier to pay, and ability to avoid and the hassles of traffic Respondent consistently argue that using market place platform easier than using social media for shopping. This answers little bit kontras with previous statement that show us that 53% our respondent using social media for shopping, but more than 86% respondent agree that market place platform easier and more fun to used. Base on this finding we assumed that generation z has uniqueness in shopping preference which their really know and realize that market place platforms such as Tokopedia, Bukalapak, Shopee, give simple access to customer, but much of them keep loyal to using social media such Instagram to shopping. This proof that generation z has high engagement to social media. From easiness view, we could say that almost all respondent agreed that online shopping give easiness dan fun in term of shopping like easier to compare products and prices, easier to find the right product, easier to pay, and ability to avoid and the hassles of traffic.

C. Perceived Security of Online Shopping

Perceived security was defined as a threat that creates a circumstance, condition, or event with the potential to cause economic hardship, to access data or network resources in the form of destruction, disclosures, and modification of data, denial of service, and/or fraud, waste and abuse[12]. the consumers’ perceived security of online shopping was not found in this research, all respondent strongly agreed that todays online shopping secure guarantee. Actually, this securities issues already become old issues before market places platforms comes. But, this issues become one of consideration for generation Z to choose social media for shop, because they really belief on other customer review.

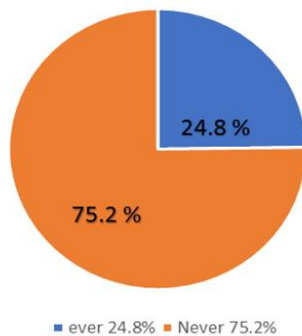




Open communication on social media, make them trust to buy and influence much on the their decision to buy.

### D. Past Experience with Online Shopping

Consumers evaluate their online shopping experiences in terms of perceptions regarding product information, payment, delivery, service, privacy and other such factors[12]. Customers dissatisfaction could become bad reputation of online shop. based on our research in Fig.4 , we find that our 24.8% of respondents ever have disappointed experiences about online shopping and 75.2 % never have disappointed experiences on online shopping.



**Fig. 4. Experiences of disappointed on online shopping**

We asked more deeply about this dissatisfaction effect on our respondents through focus group discussions. We find that dissatisfaction on online shopping make them more carefully to choose online shop. They more trust to online shop or product with good reviews from other customers. When they disappointed on some product of online shop, they usually will not repeat buying product from same shop or they need time and quite long process to recovery their trust to that shop. From this finding, digital marketing or online seller must paid attention to this issue and try to build trust with their customers through attractive and responsive communications. One again this survey confirming generation Z preference to shop through social media such Instagram, they trying to avoid and minimize bad experience by read and make consideration through other customer review and responsive direct communication with other customers.

### E. Online Shopping Engagement

In term of engagement, researchers analyses engagement of generation z through several question about their feeling and experiences about online shopping. first, we tried to know about what first impression that influences this generation to buy some product on online shop. The result of our research show that generation z has first impression of product pictures before they decide to buy something. Pictures of product seems important for this generation. This finding relevant with preference of generation z to using Instagram as their popular social media and their choice for online shopping. Instagram can fulfill their visual needs. As mention in previous research about generation z, this generation is more comfort with “view” and rely heavily on it when using search engine rather than read [2]. This is important finding that digital marketer mast paid attention on it. To maximize their sales, they must make attractive images that represent their products. Beside of attractive pictures, generation z also concerns about product reviews from other customers. Product reviews play an important role in buying decision.

Before when they decide to buy something, they do believe on other customers reviews. Better reviews will increase they trust to buy. From this result, digital marketers have to increase their attractive communication with their online customers to make them more satisfied and give good reviews as their feeds back. To get good product reviews, online sellers or digital marketers must give clearly information about their products, so their customers will not disappointed when they accept real products. They must give maximal effort to minimize gap between expectation and reality of their products in customers mind. To suppress how important this buyer review is, we ask further to respondents about what things that most influence them to buy a new product that they never tried before. Almost all respondents agree that reviews from other customers become their consideration to buy. Review from other customers can take many forms. If we look at market places platform, they provide additional features that support buyer to give their feeds back to sellers by giving them rates with stars rating. In social media platform such as Instagram, customers could give their feeds back through column of comments that could access online by public.

## V. CONCLUSION

Progress and growth of digital word cannot be avoided, to survive in this situation, firm, company or seller could learn to engage with their customer. Generation z have unique preferences on online shopping. Marketer need to learn about this uniqueness to maximum their selling. the results of this study analyze preferences of generation z using five factors shows that: based on perceived usefulness of online shopping, generation z strongly agree that online shopping is fun and give many advantages, such as easiness, save more energy and less effort, and give them easiness to price comparison. Based on perceived ease of use of online shopping, respondent consistently argue that using market place platform easier than using social media for shopping. We assumed that generation z has uniqueness in shopping preference which their really know and realize that market place platforms give simple access to customer, but much of them keep loyal to using social media such Instagram to shopping, this finding proof that generation z has high engagement to social media. Based on perceived security of online shopping, all respondent strongly agreed that today’s online shopping secure guarantee. Based on past experience with online shopping customers, we found that dissatisfaction could become bad reputation of online shop and we find that our 24.8% of respondents ever have disappointed experiences about online shopping and 75.2 % never have disappointed experiences on online shopping. And the last one is based on online shopping engagement, in term of engagement, we analyses engagement of generation z through several question about their feeling and experiences about online shopping. We tried to know about what first impression that influences this generation to buy some product on online shop. The result of our research show that generation z has first impression of product pictures before they decide to buy something.

From all of the result we could conclude that that generation z tends to “visual-person” high engagement with picture or images, needs of fairness, instant-minded, needs of clearly information in online shopping. base on this, marketer, seller, firm have to try more engaging in term of interesting picture of product, product review, easiness to access, and clearly information. Generation Z prefer to using social media and trust more on it for shopping online. The findings of this research should help online businesses focus on the factors that can influence consumers to shop online as well as trying to maximize their effort to make them more engage eith their customer through social media efficiency. Beside of using market place platform, to rise engagement with their customers, company or entrepreneur cannot ignore the importance of social media roles in their customer mind.

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