
CHARACTERISTICS OF CONSUMER BEHAVIOUR OF GENERATION Z

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Abstract. Long before the term "influencer" was coined, young people have always been the ones who have had a strong influence on creating and interpreting trends in consumption and user experience. Today, in the digital information age, this role is given to the new generation - Gen "Z". This article briefly presents the main characteristics of this generation, which is increasingly beginning to dominate the market with its preferences, wants and needs. The main purpose of the report is to present the characteristics of the consumer behaviour of Generation Z – how they shop, how they choose the products and brands to buy, how they are affected by the dynamically changing economic environment, especially in recent years after the Covid-19 pandemic. A study was conducted among representatives of generation Z to highlight the most important factors and characteristics influencing the market behaviour of this generation of consumers.

Keywords: generation Z; consumer behaviour; market

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1. Introduction.

As global connectivity increases, changes of the generations may play a more important role in determining behaviour than socioeconomic differences. Young people have become a powerful influence on people of all ages and incomes, and the way those people consume and connect with brands. Generations are shaped by the context in which they emerged. The Baby Boomers, born from 1940 to 1959, were immersed in the post-World War II context and are best represented by consumption as an expression of ideology. Gen Xers (born 1960–1979) consume status, while Millennials (born 1980–94) consume experience. For Generation Z, the main drive to consume is the search for truth, both in personal and public form. This generation is comfortable with not having just one way to be themselves. His search for authenticity generates greater freedom of expression and greater openness to understanding different types of people. (Tracy Francis, 2018)

Generation Z, a term used to describe Americans born in the late 1990s and early 2000s. Some sources give the specific period as 1997–2012,

although the years covered are sometimes disputed or debated, as generations and their zeitgeist are difficult to define. Generation Z follows the millennial generation, sometimes called Generation Y, which follows Generation X, the first generation to be assigned a letter. Reaching the end of the standard Latin alphabet, Generation Z is succeeded by Generation Alpha, the first generation to be assigned a Greek letter. (Eldridge, 2024)

Members of Generation Z, were undeniably shaped by the Great Recession of 2007-2009 and the COVID-19 pandemic. They grew up in the era of the iPhone, which debuted in 2007, and the US Department of Homeland Security, a government department founded in 2002 after the 9/11 attacks that most of them are too young to remember. Because of this, early Gen Z names include "iGeneration" and "Homelanders." In their early years, they witnessed groundbreaking social changes, such as the election of the first black president of the United States (Barack Obama) and the legalization of same-sex marriage. (Eldridge, 2024)

Generation Z are the masters of technology – they are the first generation since generational classification existed to be born during the time of the technological boom. American researchers call them "digital nomads" and as such they have an extraordinary presence online. They are known for working, shopping, dating and making friends online. Thanks to the speed at which technology and the environment are developing, the generation does not need to read as much as its predecessors expect (Hristova, 2021). Generation Z are often on the Internet when they search for all kinds of information, including news and opinions of other users, before making a purchase. They "jump" between sites, apps and social media, each forming a different part of their online ecosystem. (McKinsey&Company, 2023)

Gen Z gathers in the corners of the internet where they can discuss their passions and interests with those who share them, both people they know in real life and those they have only met online.

A McKinsey study shows that Generation Z is facing an unprecedented behavioral health crisis, characterized by high levels of pessimism and the highest prevalence of mental illness of any generation. This pessimism is fuelled by increasing global unrest, wars and disruptions, financial crises and disruptions to education due to the COVID-19 pandemic. A sense of "climate anxiety" is also widespread: many Gen Zers share that they think about the fate of the planet on a daily basis.

They already see reduced economic opportunities and don't assume they'll be able to rely on the Social Safety Net as pensions shrink, saving for retirement becomes more difficult and the older population grows.

However, Gen Z is also widely known for its idealism – they are part of a new wave of "inclusive consumers" and socially progressive dreamers. Broadly speaking, Gen Z believe they have a role to play in helping to stop

accelerating climate change and establishing greater fairness for all. More than any other generation, Gen Z collectively demands purpose and accountability, creating more opportunities for people from diverse and underrepresented backgrounds, and rigorous sustainable and environmental practices.

2. Experimental

In order to reveal the characteristics of the consumer behaviour of generation Z in Bulgaria, two surveys were conducted. The first is among representatives of generation Z, namely people between the ages of 16-25, and the second is among representatives of the Millennial generation - those between the ages of 28-43. The two studies were done to better highlight the characteristics of Generation Z in terms of their shopping habits, how they choose products and services before purchasing them, and the influence of influencers in their lives

The surveys are identical in terms of questions, with each survey containing 17 questions excluding those on gender and age. 69 representatives of Generation Z and 66 representatives of the Millennial generation participated in the survey.

From Generation Z, the majority of respondents are women - 78%, and 22% are men.

Among the representatives of the Millennials, again the majority of respondents are women - 64%. Men are 36%.

The study was inspired by a similar American study that contained the same set of questions. Since the research is quite extensive, the results of the questions that allow to highlight the consumer behaviour of Generation Z will be presented.

The survey begins with question that refers to where the respondents get information about new events that are of interest to them (see *Figure 1*). The answers show that among the majority of Generation Z (74%), informing about new events happens through Instagram, followed by TikTok with a share of 48% and in third place are traditional media and Facebook with an equal share of 44%. Among Millennials, information about new events occurs mostly through Facebook (82%), Instagram (64%) and traditional media (55%).

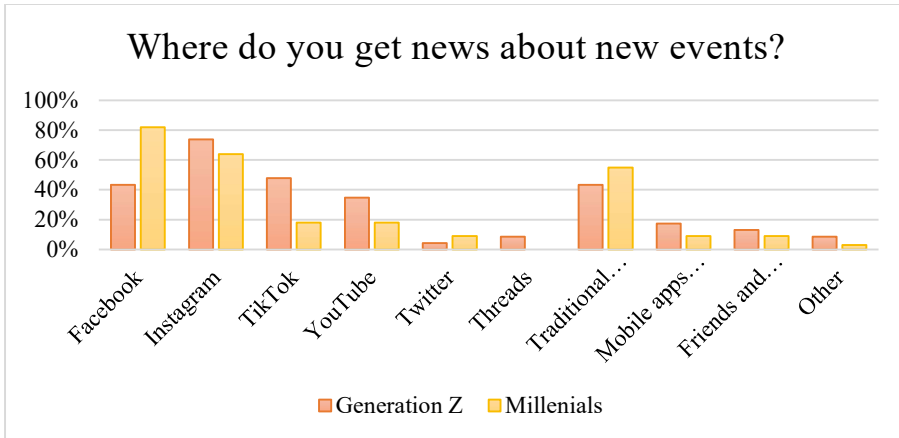


Figure 1. News about new events

The next question from the survey is related to how generations learn about new brands and products (*see Figure 2*). Gen Z respondents most often learn about new brands and products through advertising (83%), friends and acquaintances (78%) and Instagram (74%). With the Millennial generation, there is no significant difference in the sources of information about new brands and products. The only difference is that from a social media perspective, Millennials rely primarily on Facebook. (Figure 2)

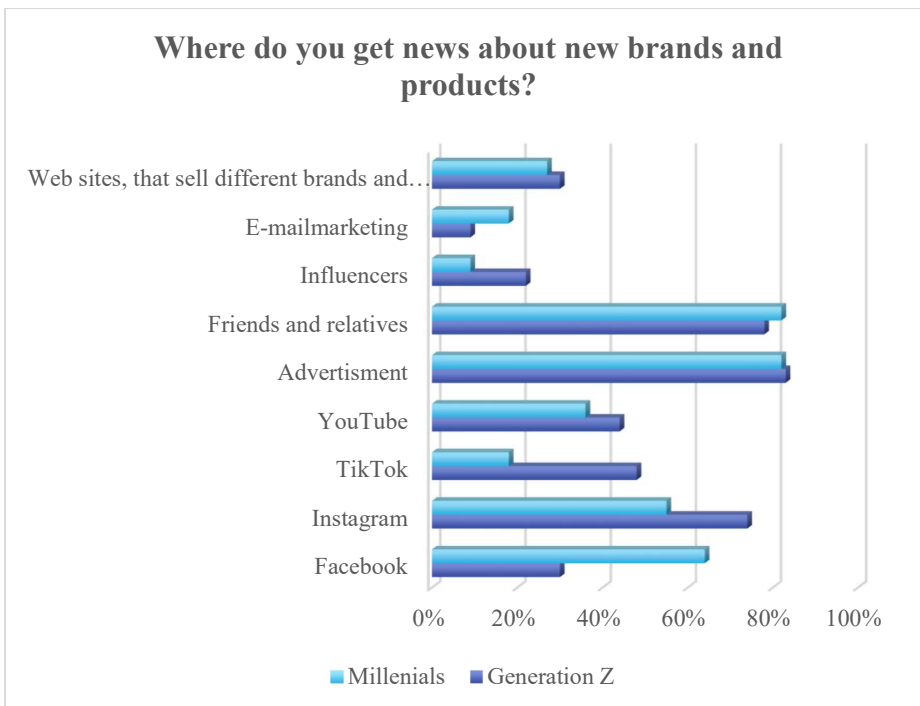


Figure 2. Brand and product discovery

The third question of the survey is aimed at information about where the two generations most often shop for certain products. The results show that Gen Z respondents show a strong preference for in-store shopping for the majority of options listed: food (96%), household products (74%), nutritional supplements and over-the-counter drugs (70%), products for pets (65%), electronic devices (52%) and personal care products (52%). When shopping for clothes, there is a mixed behaviour - both in-store and online (61%). Regarding online shopping, there is no preponderance in any of the mentioned categories. Millennial respondents' responses did not differ significantly, and there was again a preference for shopping primarily in-store. (*Figure 3*)

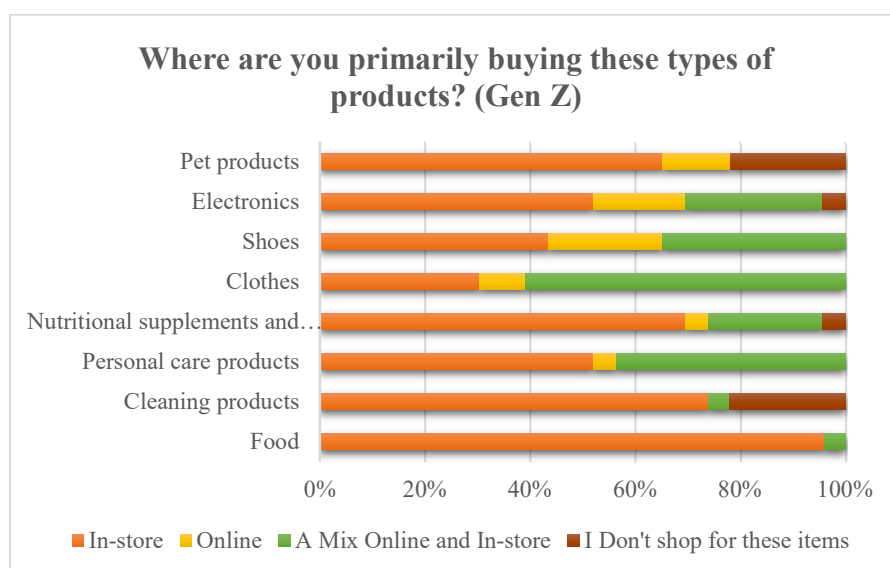


Figure 3. Online vs in-store purchasing

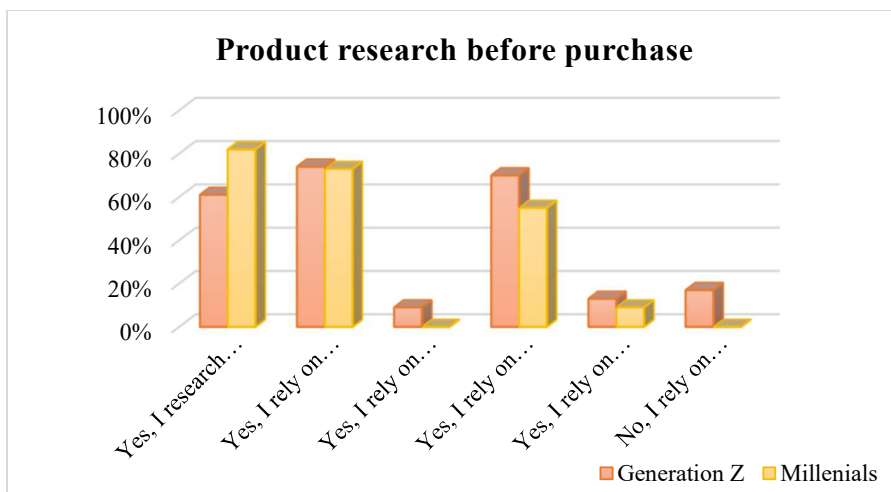


Figure 4. Product research before purchase

Researching products before making a purchase decision is something typical for the majority of Generation Z representatives, according to American polls. When asked, “Before making a purchase, do you research the products you want to buy?” the majority of Gen Z respondents said they check things out by relying primarily on online reviews and ratings (74%), as well as the opinion of friends (70%). Millennials rely primarily on the opinions of friends (82%) before making a purchase decision, as well as online reviews and ratings (73%). (see Figure 4)

The development of social networks and their entry into people's lives as something that is an invariable part of both people's personal lives and their business has led to the creation of a new profession - influencer. Social networks provide enormous opportunities for advertising and influencer marketing of products and services, and at the same time have a strong influence on public opinion. This survey question examines the impact of influencers on the purchase decision. The results show that influencers impact in the choice of Generation Z is manifested mostly in the purchase of cosmetics (48%) and electronic devices (35%) and less often in the decision to travel (27%). Millennials, from this point of view, are far less likely to be influenced by influencers, and so it is not surprising that the largest share of them answered that influencers do not impact their purchasing choices (see Figure 5).

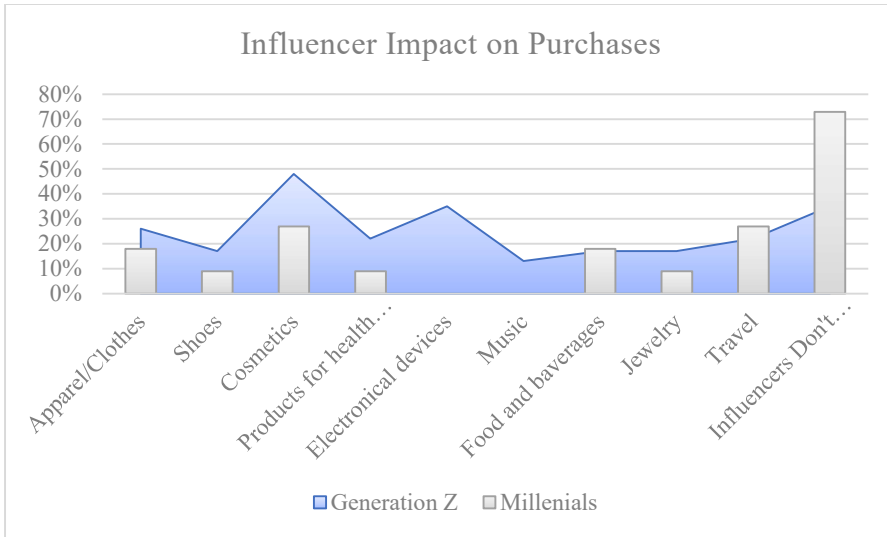


Figure 5. Influencers impact

Generation Z are extremely active, especially in the online space. The next question of the research is related to the activities that the representatives of this generation carry out and whether they are overall more active than a year ago. The results show that respondents became more active in listening to music, cooking and attending events. Most of the activities presented to them to choose from are the same as a year ago (see Figure 6)

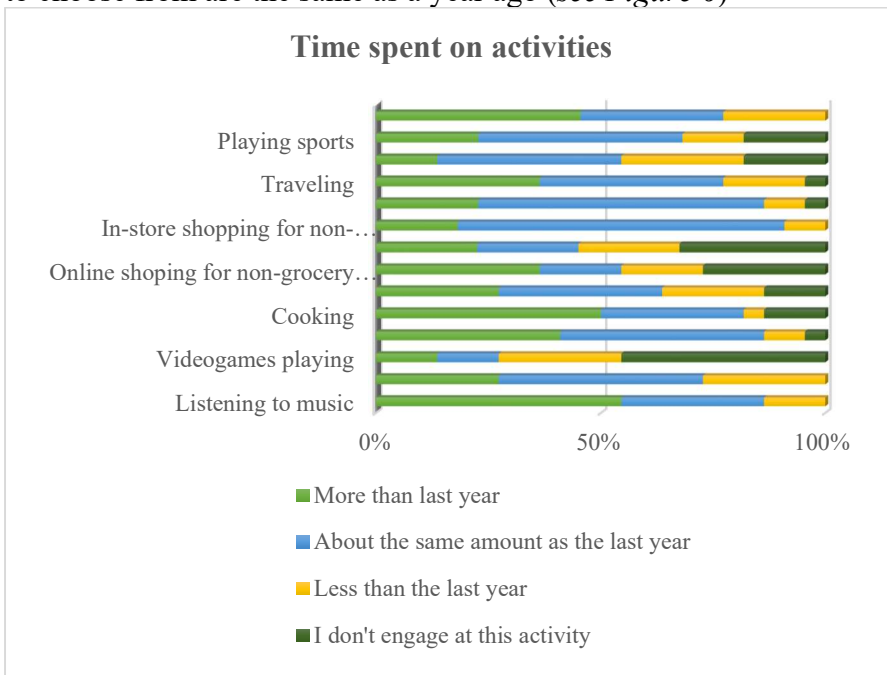


Figure 6. Time spent on activities

Although Generation Z is still quite young, they have relatively high purchasing power. They also have some influence on older generations, especially the Millennial generation. In this regard, the question of which categories they spend the most money on per month is indicative of the consumption and purchasing power of Generation Z. As can be seen on Figure 7, both generations spend the most money on food and beverages from the store. Generation Z spends more money on entertainment (movies, theatre, concerts, etc.), while Millennials are the ones who spend more money on restaurants and bars. What strongly differentiates Generation Z and Millennials is that the latter spend more money per month on travel. This fact can be explained to some extent that Millennials are more independent and earn their own money, while the majority of Gen Z participants in the study are still dependent on the money their parents give them.

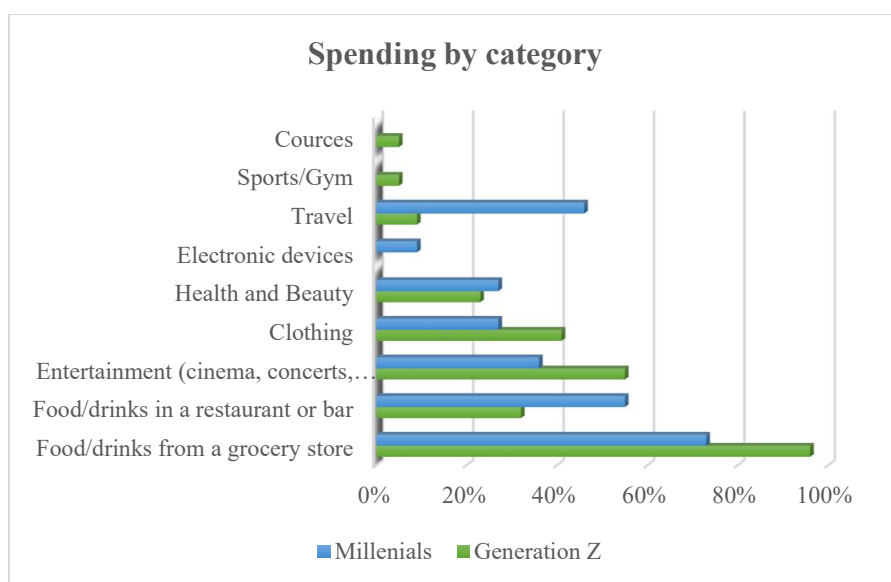


Figure 7. Spending by category

In terms of frequency of shopping (online or in a physical store), both generations are overwhelmingly 2-3 times a week (41% for Generation Z and 64% for Millennials), and the most frequently used payment methods are cash in number and debit cards, with Generation Z paying more often with cash – 77%, and Millennials with a debit card – 64%.

The attitude of the generations towards the economic situation in the country is important for their overall consumer behaviour. In recent years, we have witnessed several crises that have inevitably had an impact on our way of life. In these situations, our worldview often changes and we are faced with

questions such as whether it will ever be better than now, although being well nowadays is quite a relative and subjective concept. But, in general, what happens from an economic point of view affects our behaviour as economic subjects. Therefore, the representatives of the two studied generations were asked how optimistic they are about the future of the Bulgarian economy. The results show that, in general, members of Generation Z are moderately optimistic (36%), while Millennials are rather moderately pessimistic on this issue (36%).

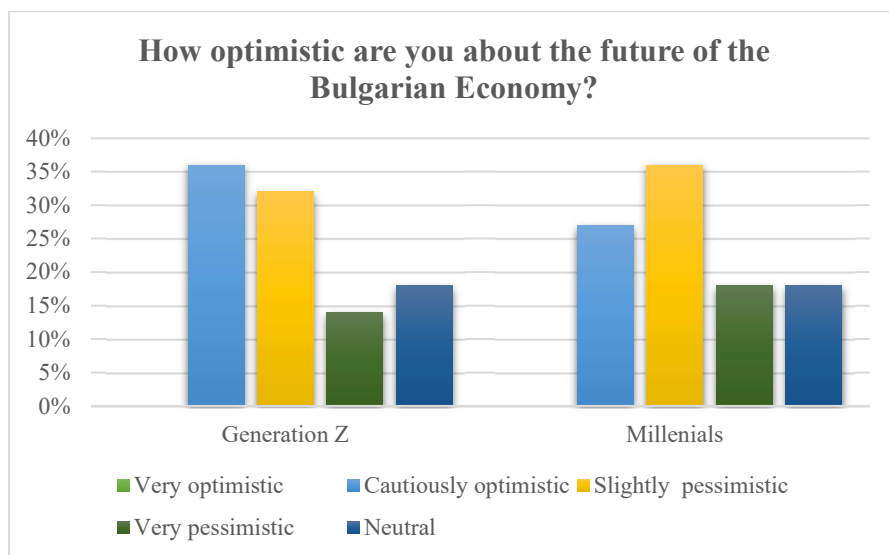


Figure 8. Optimism about the Bulgarian Economy

3. Conclusion

In conclusion and referring to the results of the study, the following conclusions can be drawn:

- Generation Z uses social networks like Instagram and TikTok more to stay informed about events, new brands and products, while Millennials rely mainly on traditional media and Facebook.
- Both generations research products before purchasing them, but Gen Z relies more on online reviews before making a purchase decision. They have a strong presence online and their social environment on the internet.
- Influencers are more influential in Gen Z consumer choices, especially when it comes to cosmetics and health products.
- The study proves that Gen Z shop more online than Millennials.

These results are based on the fact that after all, Gen Z are the ones who were born in the digital age.

A surprising fact of the study is that representatives of Generation Z pay more cash than their predecessors. This can be explained by the fact that the majority are still dependent on their parents and rely on what they will get from them. Generation Z is more optimistic about the development of the Bulgarian economy. In fact, this is somewhat understandable, as Millennials have grown up in times of transition and crisis. These events have had a huge impact on the development of the economy and the behaviour pattern of this generation.

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