

Gen Z Consumer Trends: Understanding The Next Wave Of Buying Behavior

Tren Konsumen Gen Z: Memahami Gelombang Perilaku Pembelian Berikutnya

Herman Sjahrudin¹, Riandy Mardhika Adif²

Sekolah Tinggi Ilmu Ekonomi Makassar Bongaya¹

Universitas Islam Negeri Imam Bonjol Padang²

herman.sjahrudin@stiem-bongaya.ac.id¹, riandymardhika@uinib.ac.id²

*Corresponding Author

ABSTRACT

This article offers a comprehensive exploration of Generation Z consumer trends within the context of PT. Murza Utama. The study investigates the relationships between Brand Preference (BP), Brand Innovation (BI), Business Ethics (BE), and Buying Decision (BD). The direct test results indicate that while the impact of Brand Preference on Business Ethics and Buying Decision may not be statistically significant, Brand Innovation significantly influences Business Ethics and Buying Decision. The indirect test results suggest a nuanced relationship between Brand Preference and Buying Decision, mediated by Business Ethics. The findings underscore the importance of integrating both innovation and ethical practices in shaping consumer behavior. Businesses, including PT. Murza Utama, are advised to adopt strategies that embrace innovation while maintaining a strong ethical foundation to effectively engage Generation Z consumers.

Keywords: Generation Z, Brand Preference, Brand Innovation, Business Ethics, Buying Decision.

ABSTRAK

Artikel ini menawarkan eksplorasi yang komprehensif mengenai tren konsumen Generasi Z dalam konteks PT. Murza Utama. Studi ini menyelidiki hubungan antara Preferensi Merek (BP), Inovasi Merek (BI), Etika Bisnis (BE), dan Keputusan Membeli (BD). Hasil pengujian langsung menunjukkan bahwa meskipun dampak dari Preferensi Merek terhadap Etika Bisnis dan Keputusan Pembelian mungkin tidak signifikan secara statistik, Inovasi Merek secara signifikan mempengaruhi Etika Bisnis dan Keputusan Pembelian. Hasil pengujian tidak langsung menunjukkan adanya hubungan yang tidak signifikan antara Preferensi Merek dan Keputusan Pembelian, yang dimediasi oleh Etika Bisnis. Temuan ini menggarisbawahi pentingnya mengintegrasikan inovasi dan praktik etika dalam membentuk perilaku konsumen. Perusahaan-perusahaan, termasuk PT. Murza Utama, disarankan untuk mengadopsi strategi yang merangkul inovasi dengan tetap mempertahankan landasan etika yang kuat untuk secara efektif melibatkan konsumen Generasi Z.

Kata Kunci: Generasi Z, Preferensi Merek, Inovasi Merek, Etika Bisnis, Keputusan Pembelian.

1. Introduction

In the dynamic landscape of consumer behavior, understanding the unique trends shaping the preferences of Generation Z has become imperative for businesses seeking to stay ahead in the market (Nikolic et al., 2022). Born between the mid-1990s and early 2010s, Gen Z represents a generation characterized by technological fluency, social consciousness, and a distinct approach to purchasing. As this cohort emerges as a dominant force in the consumer market, exploring the nuances of their buying behavior becomes crucial (Stephenson, 2021). From their preference for sustainable and ethical practices to their reliance on digital platforms for information and transactions, delving into the intricacies of Gen Z consumer trends unveils a paradigm shift that businesses must comprehend to tailor their strategies effectively in this new era of commerce (Su et al., 2019).

PT. Murza Utama as a company operating in a dynamic market, comprehending the distinct preferences and behaviors of Generation Z consumers becomes paramount for PT. Murza Utama's strategic planning. Understanding the tech-savvy, socially conscious, and digitally engaged nature of Gen Z is crucial for tailoring products, marketing efforts, and overall business strategies. Whether it involves incorporating sustainable practices, leveraging digital platforms for communication, or aligning with ethical values, PT. Murza Utama can utilize insights from the article to navigate and capitalize on the evolving landscape of consumer

behavior, thereby ensuring its offerings resonate effectively with the emerging generation of buyers.

The phenomenon encapsulates the transformative impact of Generation Z on the consumer landscape. This cohort, born between the mid-1990s and early 2010s, exhibits distinctive characteristics such as a deep-seated familiarity with technology, a heightened sense of social and environmental responsibility, and an inclination towards digital connectivity. The article delves into how these traits shape the preferences and purchasing decisions of Gen Z, emphasizing their preference for sustainable practices, ethical business conduct, and reliance on digital platforms for information and transactions. As this generation progressively becomes a dominant force in the market, the article sheds light on the necessity for businesses to adapt and align their strategies with these evolving consumer dynamics, marking a significant shift in traditional paradigms of buying behavior and urging companies to embrace innovation and adaptability to remain relevant and successful.

The primary objective is to provide businesses, particularly PT. Murza Utama, with comprehensive insights into the distinctive preferences and behaviors of Generation Z consumers. By elucidating the key characteristics of this demographic, including their tech-savvy nature, social consciousness, and reliance on digital platforms, the article aims to equip businesses with the knowledge needed to tailor their products, services, and marketing strategies effectively. Understanding the nuances of Gen Z's buying behavior is imperative for companies like PT. Murza Utama to stay ahead of market trends, enhance consumer engagement, and remain competitive. The article seeks to empower businesses with the information necessary to navigate the evolving consumer landscape, fostering an environment of innovation and adaptability that is crucial for sustained success in the marketplace.

2. Literature Review

A buying decision is a complex process that consumers go through when deciding to make a purchase. It involves several stages, starting with recognizing a need or want, followed by information gathering, evaluation of alternatives, making the actual purchase, and post-purchase evaluation (Li et al., 2022). Consumer buying decisions are influenced by various factors, including personal preferences, previous experiences, cultural influences, social norms, and marketing efforts. Businesses aim to understand and influence this decision-making process by employing effective marketing strategies, providing relevant information, building brand trust, and creating positive customer experiences (Zhou et al., 2022). In today's digital age, online reviews, social media, and other informational sources play a significant role in shaping consumer perceptions and influencing their buying decisions. Successful businesses navigate and cater to these decision-making dynamics to effectively meet the needs and preferences of their target audience, ultimately driving sales and building brand loyalty (Wang et al., 2022).

Brand preference refers to the inclination of consumers to choose a particular brand over its competitors when making purchasing decisions. This predilection is often rooted in a combination of factors, including product quality, perceived value, brand reputation, and the overall customer experience (Setya Saputra et al., 2018). Successful brand preference is built through consistent communication, resonating brand messaging, and the establishment of emotional connections with consumers. Companies that invest in creating a positive and distinctive brand image foster loyalty among their target audience (Tannady et al., 2022). By delivering on promises, adapting to evolving consumer needs, and maintaining a strong brand identity, businesses can cultivate enduring brand preference, securing a competitive advantage in the market and fostering long-term relationships with their customer base (Ke & Wagner, 2020).

Brand innovation is a strategic process that involves introducing novel and distinctive elements to a brand to enhance its competitiveness, relevance, and resonance with the target

audience (Borgerson, 2007). It goes beyond mere product or service innovation, encompassing a holistic approach that may involve changes in marketing strategies, customer experiences, or even the brand's core values. Successful brand innovation often stems from a deep understanding of consumer needs, market trends, and emerging technologies. Companies that embrace brand innovation demonstrate adaptability and a commitment to staying ahead in dynamic markets (Freeman et al., 2022). By consistently challenging conventions, experimenting with new ideas, and incorporating cutting-edge solutions, brands can not only differentiate themselves from competitors but also captivate consumers with fresh and meaningful offerings, ultimately fostering brand loyalty and sustained growth (Martin et al., 2022).

Business ethics encompasses the moral principles and values that guide the conduct of organizations in their interactions with various stakeholders, including customers, employees, suppliers, and the broader society (Ahyani et al., 2022). It involves making decisions and taking actions that are not only legal but also morally right and socially responsible. Ethical business practices include honesty, integrity, transparency, and fairness, and they extend beyond mere compliance with laws and regulations (Zuliawaty Rajasa et al., 2023). Organizations committed to business ethics prioritize the well-being of all stakeholders, strive to minimize negative impacts on the environment, and promote inclusivity and diversity (Ridwan, 2022). A strong ethical foundation not only enhances a company's reputation but also fosters trust among stakeholders, leading to long-term sustainability and success in a business landscape that increasingly values social responsibility and ethical conduct (Sudirjo et al., 2023).

3. Research Methods

The methodology employed in the article at PT. Murza Utama utilizes the random sampling technique, specifically employing a sample size of 60 individuals. Total sampling is a statistical method in which each member of the population has an equal chance of being included in the sample, ensuring a representative selection. In this context, the goal is to capture a diverse and unbiased cross-section of Generation Z consumers within the company's target market. The researchers or surveyors randomly select 60 individuals from the larger population of Gen Z consumers associated with PT. Murza Utama. The variable of this study is Brand Preference (BP), Business Ethics (BE), Brand Innovation (BI) and Buying Decision (BD). To analyze the data obtained from the sample, the article employs the Structural Equation Modeling (SEM) technique, specifically utilizing the Smart PLS (Partial Least Squares) analysis. Smart PLS is a robust statistical method commonly used for assessing and validating complex relationships between variables. By leveraging these methodologies, the article aims to provide a comprehensive and data-driven understanding of Gen Z consumer trends, allowing PT. Murza Utama to make informed decisions and tailor their strategies in alignment with the preferences and behaviors of this pivotal demographic (Zhao et al., 2022).

4. Results and Discussions

The Inner Model describes the relationship between latent variables based on substantive theory. The test results are presented in table :1.

Table 1. Direct Test Results

Path	Original Sample	P value	Decision
BP -> BE	0.672	0.125	Not Significant
BI -> BE	0.821	0.045	Significant
BP -> BD	0.453	0.287	Not Significant
BI -> BD	0.689	0.012	Significant
BE -> BD	0.567	0.198	Not Significant

The analysis of the direct path from Brand Preference (BP) to Business Ethics (BE) yielded a P value of 0.125, indicating that the relationship is not statistically significant at the conventional significance level of 0.05. This suggests that, in the observed sample, the influence of Brand Preference on Business Ethics may not be strong or may be influenced by other unaccounted factors. While the correlation exists to some extent, the results suggest caution in drawing definitive conclusions. Further exploration or consideration of additional variables may be necessary to better understand the nuanced relationship between Brand Preference and Business Ethics in the context under investigation.

The analysis of the direct path from Brand Innovation (BI) to Business Ethics (BE) revealed a noteworthy result with a P value of 0.045, indicating statistical significance at the conventional threshold of 0.05. This implies that there is a significant and positive relationship between Brand Innovation and Business Ethics in the examined sample. The findings suggest that as companies embrace innovative practices within their brand strategies, there is a corresponding positive impact on ethical considerations. This result underscores the importance of forward-thinking and inventive approaches in shaping ethical business practices, emphasizing the potential for organizations to enhance their ethical standing through innovative branding initiatives. Further exploration and contextual understanding could provide valuable insights into the specific dynamics driving this observed correlation.

The analysis of the direct path from Brand Preference (BP) to Buying Decision (BD) yielded a P value of 0.287, indicating that the relationship is not statistically significant at the conventional significance level of 0.05. This suggests that, in the observed sample, the impact of Brand Preference on Buying Decision may not be statistically robust. The findings imply that other factors or variables not considered in the study may have a more substantial influence on consumers' buying decisions. While there may be a discernible connection between Brand Preference and Buying Decision, the non-significant result encourages a cautious interpretation, suggesting that additional research or the inclusion of other pertinent variables may be necessary for a more comprehensive understanding of the dynamics governing the relationship between these two factors.

The examination of the direct path from Brand Innovation (BI) to Buying Decision (BD) produced a statistically significant result with a P value of 0.012, meeting the conventional significance threshold of 0.05. This outcome indicates a strong and positive association between Brand Innovation and Buying Decision in the examined sample. The findings suggest that as businesses integrate innovative strategies within their brand development, it positively influences consumers' purchasing decisions. This implies that consumers, particularly in the observed context, are responsive to novel and creative elements introduced by brands, which significantly impact their choices. The statistically significant result underscores the pivotal role of brand innovation in shaping and influencing consumer behavior, highlighting its importance as a determinant factor in driving purchasing decisions within the studied demographic.

The direct path analysis from Business Ethics (BE) to Buying Decision (BD) yielded a P value of 0.198, indicating that the relationship is not statistically significant at the conventional significance level of 0.05. This suggests that, in the observed sample, the impact of Business Ethics on Buying Decision may not be statistically robust. The findings imply that ethical considerations, as perceived by consumers, may not be the sole determining factor influencing their purchasing decisions. Other variables or external factors not accounted for in this study might play a more substantial role in shaping consumers' choices. While the correlation between Business Ethics and Buying Decision is present, the non-significant result implies a need for further investigation or the inclusion of additional variables to better comprehend the intricate dynamics governing the relationship between ethical considerations and consumers' buying decisions in the specific context under examination.

After testing the direct influence, the next hypothesis is to look at the indirect influence which is presented in the table below:

Table 2. Indirect Test Results

Path	Original Sample	P value	Decision
BP -> BE -> BD	0.352	0.068	Not Significant
BI -> BE -> BD	0.621	0.026	Significant

The analysis of the indirect path from Brand Preference (BP) to Business Ethics (BE) and subsequently to Buying Decision (BD) yielded a P value of 0.068, falling just above the conventional significance threshold of 0.05. While the result is not statistically significant, it suggests a potential trend or relationship worth further consideration. The non-significant finding implies that the influence of Brand Preference on Buying Decision, mediated by Business Ethics, may be nuanced and contingent on additional factors not fully captured in the current study. It prompts a closer examination of the intricate interplay between these variables, possibly necessitating a more detailed exploration or the inclusion of supplementary variables for a comprehensive understanding of the indirect impact of Brand Preference on Buying Decision through the mediating factor of Business Ethics.

The analysis of the indirect path from Brand Innovation (BI) to Business Ethics (BE) and subsequently to Buying Decision (BD) revealed a statistically significant result with a P value of 0.026, falling below the conventional significance threshold of 0.05. This suggests a robust and meaningful indirect relationship between Brand Innovation and Buying Decision, mediated by the influence of Business Ethics. The significant finding implies that as companies embrace innovative strategies, it not only positively impacts their ethical standing but also significantly influences consumers' purchasing decisions. This result underscores the intricate interplay between innovation, ethical considerations, and consumer behavior, emphasizing the pivotal role of Business Ethics as a mediator in the relationship between Brand Innovation and Buying Decision within the examined sample. The findings suggest that businesses fostering innovative practices coupled with strong ethical values may effectively shape consumer choices in a meaningful way.

5. Conclusion

In conclusion, the article provides a comprehensive exploration of Generation Z consumer trends and their implications, particularly within the context of PT. Murza Utama. The study delves into the intricate dynamics of Brand Preference (BP), Brand Innovation (BI), Business Ethics (BE), and Buying Decision (BD). The direct test results reveal that while the impact of Brand Preference on Business Ethics and Buying Decision may not be statistically significant, Brand Innovation significantly influences Business Ethics and Buying Decision. Additionally, the indirect test results highlight a potential nuanced relationship between Brand Preference and Buying Decision, mediated by Business Ethics. These findings underscore the importance of considering both innovation and ethical practices in shaping consumer behavior. Ultimately, businesses, including PT. Murza Utama, are encouraged to adopt strategies that embrace innovation while maintaining a strong ethical foundation to effectively engage and cater to the evolving preferences of Generation Z consumers.

References

- Ahyani, H., Putra, H. M., Slamet, M., & Mutmainah, N. (2022). Standardization of Companies and The Islamic Business Environment in Indonesia. *Jurnal Ilmiah Ekonomi Islam*, 8(1), 10. <https://doi.org/10.29040/jiei.v8i1.3795>
- Borgerson, J. L. (2007). On the harmony of feminist ethics and business ethics. *Business and Society Review*, 112(4), 477–509. <https://doi.org/10.1111/j.1467-8594.2007.00306.x>

- Freeman, R. E., Dunham, L., Fairchild, G., & Parmar, B. L. (2022). Leveraging the Creative Arts in Business Ethics Teaching. *Issues in Business Ethics*, 53, 355–370. https://doi.org/10.1007/978-3-030-72204-3_26
- Ke, X., & Wagner, C. (2020). Global pandemic compels sport to move to esports: understanding from brand extension perspective. *Managing Sport and Leisure*, July, 1–6. <https://doi.org/10.1080/23750472.2020.1792801>
- Li, Y., Zhang, C., Shelby, L., & Huan, T. C. (2022). Customers' self-image congruity and brand preference: a moderated mediation model of self-brand connection and self-motivation. *Journal of Product and Brand Management*, 31(5), 798–807. <https://doi.org/10.1108/JPBM-07-2020-2998>
- Martin, K., Shilton, K., & Smith, J. (2022). Business and the ethical implications of technology: Introduction to the symposium. *Business and the Ethical Implications of Technology*, 160(2), 1–11. <https://doi.org/10.1007/s10551-019-04213-9>
- Nikolic, T. M., Delic, T., & Peric, N. (2022). Consumer Behavior of Gen Y and Gen Z During the Covid-19 Pandemic. In *Covid-19 Pandemic Crisis Management a Non - Medical Approach*. https://d1wqtxts1xzle7.cloudfront.net/81288811/Proceedings_COVID_19-libre.pdf?1645621299=&response-content-disposition=inline%3B+filename%3dconsumer_Behavior_Of_Gen_Y_And_GEN_Z_DUR.pdf&Expires=1671700703&Signature=BCTEr5sMbrXJxklefYW4fxC6JYiRG3irAza2QvXLj
- Ridwan, M. (2022). Purchasing Decision Analysis in Modern Retail. *AKADEMIK: Jurnal Mahasiswa Ekonomi & Bisnis*, 2(1), 1–9. <https://doi.org/10.37481/jmeb.v2i1.243>
- Setya Saputra, A., Israwan Setyoko, P., & Kurniasih, D. (2018). The Role of Social Media, Innovation and Branding Capabilities on Hospital Marketing Performance During The Covid-19 Pandemic and Industry Revolution 4.0 Era. *Journal of Industrial Engineering & Management Research*, 3(5), 100–111.
- Stephenson, M. (2021). The Impact of Technology on Personal Branding and Job Choice. *Academy of Management*, 51(September), 1–51.
- Su, C. H., Tsai, C. H., Chen, M. H., & Lv, W. Q. (2019). U.S. sustainable food market generation Z consumer segments. *Sustainability (Switzerland)*, 11(13), 1–14. <https://doi.org/10.3390/su11133607>
- Sudirjo, F., Hadiyati, R., Nyoman Tri Sutaguna, I., & Yusuf, M. (2023). The Influence Of Online Customer Reviews And E-Service Quality On Buying Decisions In Electronic Commerce Ratnawati 2 Politeknik Pertanian Negeri Pangkep 2. *Journal of Management and Creative Business (JMCBUS)*, 1(2). <https://iprice.co.id/insights/mapofecommerce/>
- Tannady, H., Sjahruddin, H., Saleh, I., Renwarin, J. M. ., & Nuryana, A. (2022). Role of Product Innovation and Brand Image Toward Customer Interest and Its Implication on Electronic Products Purchase Decision. *Widyakala: Journal of Pembangunan Jaya University*, 9(2), 93. <https://doi.org/10.36262/widyakala.v9i2.620>
- Wang, Y., Wang, J., Han, D., Lv, S., Chen, M., & Yin, S. (2022). The interaction relationships among agricultural certification labels or brands: evidence from Chinese consumer preference for fresh produce. *International Food and Agribusiness Management Review*, 25(2), 211–227. <https://doi.org/10.22434/ifamr2021.0048>
- Zhao, J., Butt, R. S., Murad, M., Mirza, F., & Saleh Al-Faryan, M. A. A. (2022). Untying the Influence of Advertisements on Consumers Buying Behavior and Brand Loyalty Through Brand Awareness: The Moderating Role of Perceived Quality. *Frontiers in Psychology*, 12(January), 1–15. <https://doi.org/10.3389/fpsyg.2021.803348>
- Zhou, C., Leng, M., Liu, Z., Cui, X., & Yu, J. (2022). The impact of recommender systems and pricing strategies on brand competition and consumer search. *Electronic Commerce Research and Applications*, 53(August 2021), 101144. <https://doi.org/10.1016/j.elerap.2022.101144>
- Zuliawaty Rajasa, E., Manap, A., Doddy Heka Ardana, P., Yusuf, M., Pelita Bangsa, U., Jayabaya, U., Ngurah Rai, U., Bandung, S., & Negeri Medan, P. (2023). Literature Review: Analysis Of Factors Influencing Purchasing Decisions, Product Quality And Competitive Pricing under a Creative Commons Attribution-NonCommercial 4.0 International License (CC BY-NC 4.0). *Jurnal Ekonomi*, 12(01), 2023. <http://ejournal.seaninstitute.or.id/index.php/Ekonomi>

