

ANTICEDENTS OF CONSUMER PREFERENCE OF ONLINE SHOPPING AMONG GENZ

Ms. Apsara G

II MBA, School of Management

Dwaraka Doss Govardhan Doss Vaishnav College, Chennai, Tamil Nadu

Ms. Mythili R

Asst. Professor, School of Management

Dwaraka Doss Govardhan Doss Vaishnav College, Chennai, Tamil Nadu

Abstract

This study explores the online shopping preferences of Generation Z, focusing on the factors that influence their purchasing decisions, such as demographics, socio-economic characteristics, and attitudes toward e-commerce. As the first generation fully immersed in the digital age, Generation Z's relationship with technology and social media significantly shapes their online shopping behaviours. The research highlights that this generation places great importance on digital convenience, trust, and accessibility. It identifies Amazon as a leading platform for online shopping, with social media and online reviews playing a crucial role in decision-making. The study underscores the need for businesses to provide personalized, seamless shopping experiences that cater to the expectations of this tech-savvy demographic, ensuring they stay competitive in the ever-changing digital marketplace.

Keywords: *Generation Z, online shopping preferences, social media influence, e-commerce behaviour, platform preference, technological accessibility, digital convenience, Generation Z purchasing decisions.*

Introduction

The rise of e-commerce has transformed consumer behaviour, with Gen Z emerging as a key driver of online shopping trends. As digital natives, Gen Z consumers prioritize convenience, seamless user experiences, and personalized interactions. Social media platforms, influencer marketing, and user-generated content significantly influence their purchasing decisions. Unlike previous generations, Gen Z seamlessly integrates online and offline shopping, valuing omnichannel experiences. Their preferences emphasize fast checkouts, ethical brands, and interactive engagement. This study explores the factors influencing Gen Z's preference for online shopping, examining how technological advancements, personalization, and social commerce shape their buying behaviour in the digital marketplace.

Understanding the preference of Generation Z for online shopping is crucial due to their significant influence on market trends and their unique digital behaviours. As the first generation to grow up entirely in the digital age, Generation Z's preferences offer valuable insights into the evolving landscape of consumer behaviour. With their heavy reliance on technology and social media, studying their online shopping preferences can help businesses tailor their marketing strategies and product offerings effectively. Moreover, uncovering Generation Z's preference for online shopping can reveal untapped market opportunities and enable companies to stay ahead of technological advancements in e-commerce. Overall, studying Generation Z's online shopping preferences is essential for businesses seeking to remain competitive and relevant in today's digital marketplace.

Primary Objectives

The primary objective of this study is to understand the factors influencing Generation Z's preference for online shopping by analyzing key variables such as demographic characteristics (age, gender, income) and socio-economic factors (occupation). The study further explores Gen Z's online shopping behaviour, including frequency of purchases, preferred platforms, and product preferences. Additionally, it examines the key decision-making factors that shape their choices, such as economic considerations (price sensitivity), trust and security concerns (brand reputation, secure payment options, privacy issues), convenience and service expectations (shipping speed, return policies, customer support), and personalization (AI-driven recommendations). The research also aims to assess their attitudes and perceptions toward online shopping, including perceived benefits, concerns, satisfaction levels, and the influence of social media on their purchasing decisions.

Review of Literature

Bashir (2013) found that online shopping for electronics is popular among younger consumers due to convenience, time-saving, and lower prices compared to physical stores. Price, convenience, and time-saving were key factors, with consumers comparing prices and reading reviews before making purchases.

Apeksha Dabade and Rajendra Prasad's study highlighted that convenience is the main driver of online shopping, especially for higher-priced items. They also noted that online stores offer a wider product variety, making them more appealing to consumers seeking ease and diversity.

R. Kavitha and Inbalakshmi's research on online shopping in developing nations emphasized the importance of convenience and attractive offers. These factors significantly influence consumers' purchasing decisions, especially in regions with emerging e-commerce markets.

Mohammad Hossein Moshref (2012) focused on the role of website security and reliable delivery in building consumer trust. Positive attitudes and word-of-mouth recommendations also encourage online shopping, with innovative consumers more likely to engage in online shopping behavior.

Similarly, **Chaitra Sharma**, in her study on "How People Buy Things Online," explored the factors influencing consumers' product choices. The study identified two key factors: risk perception and openness to innovation. Some consumers are highly risk-averse and prefer certainty when making online purchases, whereas others are more comfortable taking risks. Additionally, the level of innovativeness affects shopping behaviour, with more innovative consumers being willing to experiment with new products and shopping methods.

Ayu Alfyya Fathinasari, Hery Purnomo, and Poniran Yudho Leksono, "Gen-Z Marketing Strategies: Understanding Consumer Preferences and Building Sustainable Relationships," 2023. This paper explores the consumer decision-making styles among Indian Millennials and Generation Z e-shoppers, revealing differences in dominant shopping orientations and enthusiasm for online shopping. It emphasizes the need for brands to prioritize social values, environmental concerns, and sustainability to resonate with Gen Z consumers.

Petra Jílková and Jana Králová, "Customer Insights and Online Shopping Attitude of Gen-Z," 2020. This research analyzes the online shopping trends of Generation Z and compares them with the broader population. It identifies key differences in perceived values, types of purchased goods, and e-commerce buying strategies, providing insights into the unique online shopping attitudes of Gen Z consumers.

Adib Damara Satria et al., "Understanding the Pattern of Online Consumer Buying Behavior of Gen Z - An Empirical Study," 2019. This research highlights that Generation Z is highly interested in social media influencers, particularly in the fields of fashion and lifestyle. It discusses how influencer marketing is used by marketers to reach consumers, distribute information, and influence product perceptions among Gen Z.

"E-commerce Preferences and Purchase Intentions of Generation Z: A Study of Key Factors" by Lim, H., & Lee, J. (2020). Focusing on e-commerce trends, this research identifies key factors such as price sensitivity, product quality, and security that impact Generation Z's online purchase intentions. It emphasizes the importance of offering competitive prices and ensuring online safety to attract younger consumers.

"Privacy Concerns and Online Shopping Behavior of Generation Z" by Smith, A. & Johnson, D. (2022). This article focuses on Generation Z's concerns about data privacy and how these concerns shape their online shopping habits. It examines the balance between trust in retailers and the need for personal data security.

Results and Findings

Demographic Frequency Distribution

Table 1: Demographic Frequency Distribution.

Variable	Category	Frequency	Percent
Age Group	Under 18	5	5.7%
	18-20	19	21.8%
	21-25	63	72.4%
Gender	Male	46	52.9%
	Female	41	47.1%
Highest Level of Education	Undergraduate	36	41.4%
	Postgraduate	51	58.6%
Current Occupation	Student	65	74.7%
	Employed	18	20.7%
	Unemployed	2	2.3%
	Self Employed	2	2.3%

Interpretation

The frequency table indicates a strong preference for online shopping among Generation Z, with 72.4% in the 21-25 age group and 21.8% in the 18-20 age range. The sample shows a balanced gender distribution, with 52.9% male and 47.1% female participants, suggesting that both genders are equally interested in sharing their online shopping preferences. Regarding education, 41.4% of the sample have undergraduate qualifications, while 58.6% hold

postgraduate degrees, which may indicate a correlation between higher education levels and a greater comfort with digital platforms. Additionally, the occupation distribution reveals that 74.7% of the sample are students, suggesting that a significant portion of the population is currently pursuing education. Meanwhile, 20.7% are employed, and 2.3% each are unemployed or self-employed, providing insight into the economic status and lifestyle of the participants when analyzing their online shopping preference.

Frequency Distribution of Online Shopping Habits and Preferences

Table 2: Frequency Distribution of Online Shopping Habits and Preferences

Question	Response	Frequency	Percent
How often do you shop online?	Daily	2	2.30%
	Weekly	11	12.60%
	Monthly	28	32.20%
	Rarely	45	51.70%
	Never	1	1.10%
What are your preferred online shopping platforms/Websites?	Amazon	50	57.50%
	Flipkart	17	19.50%
	Meesho	9	10.30%
	Myntra	7	8.00%
	Others	4	4.60%
What type of products do you most frequently purchase online?	Electronics and Appliances	36	41.40%
	Apparels	34	39.10%
	Grocery	8	9.20%
	Home & Furniture	4	4.60%
	Others	5	5.70%
How do you typically research products before buying them online?	Online reviews	52	59.80%
	Social media	23	26.40%
	Recommendations	11	12.60%
	Articles/Blogs	1	1.10%
To what extent do you use social media for online shopping inspiration?	Always	18	20.70%
	Often	18	20.70%
	Sometimes	46	52.90%
	Never	5	5.70%

Interpretation

Online Shopping Frequency: Most respondents shop **rarely (51.7%)**, suggesting online shopping is not a frequent habit. However, a notable portion shops **monthly (32.2%)** or **weekly (12.6%)**, indicating occasional engagement.

Preferred Platforms: **Amazon** is the dominant platform (**57.5%**), reflecting its strong market presence. **Flipkart (19.5%)** is also popular, while other platforms like **Meesho (10.3%)** and **Myntra (8%)** have smaller shares.

Product Categories: Electronics and appliances (41.4%) and fashion (39.1%) are the most frequently purchased items, indicating these are key drivers for online shopping. Less focus is placed on **grocery (9.2%) and home goods (4.6%)**.

Product Research: Online reviews (59.8%) are crucial for consumers' purchase decisions, highlighting their importance. **Social media (26.4%)** also plays a role, while other methods like **recommendations (12.6%) and articles/blogs (1.1%)** are less influential.

Social Media Influence: Social media plays a significant role in shopping decisions for **41.4%** of respondents. While 52.9% use it sometimes, only a few (5.7%) are unaffected by it, showing its growing influence in online shopping.

Frequency Distribution of Biggest concerns or Challenges regarding online shopping.

Table 3: Biggest concerns or Challenges regarding online shopping

What are your biggest concerns or Challenges regarding online shopping?		
	Frequency	Percent
Security and Privacy	37	42.5
Product Quality and Authenticity	33	37.9
Delivery Issues	5	5.7
Return and Refund process	7	8.0
Customer Service	5	5.7
Total	87	100.0

Interpretation

The frequency table reveals key concerns of Generation Z about online shopping. **42.5%** of the 87 respondents are most concerned about **security and privacy**, reflecting their strong focus on protecting personal data during online transactions. **37.9%** worry about **product quality and authenticity**, indicating a preference for genuine and reliable products. While concerns like **delivery issues, return/refund processes, and customer service** are less common, they highlight the importance of efficient logistics, clear policies, and responsive support in shaping a positive online shopping experience for this demographic.

Frequency Distribution of Key Factors in Choosing an Online Retailer

Table 4: Key Factors in choosing an online retailer

How important are the following factors when choosing an online retailer?								
	Price	Brand Trust	Delivery Speed	Payment Security	Easy Return	Customer Support	Data Privacy	Personalized
Valid	87	87	87	87	87	87	87	87
Mean	4.47	4.16	4.09	4.30	4.33	4.15	4.14	3.92
Median	5.00	4.00	4.00	4.00	5.00	4.00	4.00	4.00
Std. Deviation	.926	.963	.910	.851	.898	.947	.942	1.037
Minimum	1	1	1	1	1	1	1	1
Maximum	5	5	5	5	5	5	5	5

Interpretation

The analysis of key factors influencing Generation Z's choice of an online retailer reveals that **price** is the most critical factor, with a high mean score of 4.47 and a median of 5.00, indicating that the majority of respondents consider affordability a top priority. Following closely, **easy return policies (mean = 4.33, median = 5.00)** are also highly valued, as hassle-free exchanges and refunds enhance consumer confidence. **Payment security (mean = 4.30, median = 4.00)** ranks next, highlighting the importance of safe and reliable transaction processes. **Brand trust (mean = 4.16) and customer support (mean = 4.15)** also play significant roles in purchasing decisions, suggesting that Generation Z prefers retailers with strong reputations and responsive customer service. **Fast and reliable shipping (mean = 4.09)** is another key consideration, though slightly lower in priority compared to price and return policies. **Data privacy (mean = 4.14)** is moderately significant, showing that while consumers care about online security, it is not the primary deciding factor. **Personalized recommendations (mean = 3.92)** have the lowest importance among all factors, with the highest standard deviation (1.037), indicating varied opinions on its necessity. Overall, the findings suggest that Generation Z prioritizes affordability, convenience, and security when shopping online. While personalized recommendations may enhance the shopping experience, they are not as crucial as factors like pricing, returns, and payment security.

Chi Square Test

Null Hypothesis Ho: There is no significant relationship between the highest level of education and the importance placed on key factors when choosing an online retailer.

Alternate Hypothesis H1: There is significant relationship between the highest level of education and the importance placed on key factors when choosing an online retailer.

Table 5: Chi Square Calculation of Highest Level of Education * the Importance Placed on Key Factors when Choosing an Online Retailer

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	19.537a	19	.423
Likelihood Ratio	25.628	19	.141
Linear-by-Linear Association	1.287	1	.257
N of Valid Cases	87		
a. 35 cells (87.5%) have expected count less than 5. The minimum expected count is .41.			

Interpretation

The Pearson Chi-Square test statistic is **19.537** with **19 degrees of freedom (df)** and an **Asymptotic Significance (p-value) of 0.423**. Since this p-value is greater than the common significance level of **0.05**, we fail to reject the **null hypothesis (H₀)**. This suggests that there is **no significant relationship** between the highest level of education and the importance placed on key factors when choosing an online retailer. Additionally, the **Likelihood Ratio test** yields a Chi-Square value of **25.628** with **p = 0.141**, which also supports the conclusion that education

level does not have a statistically significant impact on preferences for online shopping factors. Based on the Chi-Square test results, education level does not appear to significantly influence how Generation Z values factors such as pricing, brand trust, delivery speed, payment security, return policies, customer support, data privacy, and personalized recommendations when choosing an online retailer.

Chi Square Test

Null Hypothesis Ho: There is no significant relationship between the Occupation and the importance placed on key factors when choosing an online retailer.

Alternate Hypothesis H1: There is significant relationship between the Occupation and the importance placed on key factors when choosing an online retailer.

Table 6: Chi Square Calculation of Occupation * The Importance Placed on Key Factors When Choosing an Online Retailer

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	72.401a	57	.082
Likelihood Ratio	39.422	57	.963
Linear-by-Linear Association	1.853	1	.173
N of Valid Cases	87		
a. 75 cells (93.8%) have expected count less than 5. The minimum expected count is .02.			

Interpretation

The **Pearson Chi-Square test (72.401, $p = 0.082$, $df = 57$)** suggests **no significant relationship** between occupation and the importance placed on key factors when choosing an online retailer at the 5% level. However, at the **10% level**, there may be a weak association.

The **Likelihood Ratio test ($p = 0.963$)** and **Linear-by-Linear Association test ($p = 0.173$)** further confirm no strong relationship.

Based on the Chi-Square test results, occupation does not significantly influence the importance placed on key factors when choosing an online retailer.

ANOVA

Null Hypothesis (H0): There is no significant difference in the importance placed on key factors between different gender groups.

Alternative Hypothesis (H1): There is significant difference in the importance placed on key factors between different gender groups.

Table 7: One Way ANOVA between Importance Placed on Key Factors between Different Gender Groups

ANOVA					
Gender					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.331	19	.175	.640	.861
Within Groups	18.348	67	.274		
Total	21.678	86			

Intepretation

Since the **p-value (0.861)** is much greater than the typical significance level of **0.05**, we **fail to reject the null hypothesis (H_0)**. This means that **there is no significant difference** in the importance placed on key factors when choosing an online retailer between gender groups. In conclusion, gender does not significantly impact the importance placed on these key factors for online shopping.

Findings

Generation Z shows a strong preference for online shopping, particularly in the 21-25 age group (72.4%), with a balanced gender distribution (52.9% male, 47.1% female). Most respondents hold postgraduate degrees (58.6%), and a significant portion are students (74.7%). Amazon (57.5%) is the dominant platform, with electronics and fashion being the most purchased categories. Security and privacy are the top concerns (42.5%), followed by product quality and authenticity (37.9%). Price (mean = 4.47), easy return policies (mean = 4.33), and payment security (mean = 4.30) are the most critical factors influencing their online shopping decisions. While social media (26.4%) and online reviews (59.8%) play significant roles in purchase decisions, personalized recommendations (mean = 3.92) are less important. The Chi-Square test and Anova results indicate that education ($p = 0.423$), occupation ($p = 0.082$), and gender ($p = 0.861$) do not significantly influence the importance placed on these factors when choosing an online retailer, suggesting that Generation Z values affordability, convenience, and security, regardless of demographic characteristics.

Research Gap

While this study offers valuable insights into Generation Z's online shopping preferences, several areas remain unexplored:

Platform-Specific Concerns: The study does not examine how security, privacy, and product authenticity concerns differ across platforms. Future research could explore how these issues impact trust and purchasing behaviour on specific sites like Amazon and Flipkart.

Influence of Social Media: Although social media's role in online shopping is acknowledged, future research could analyse how specific platforms (e.g., Instagram, TikTok) and content types (e.g., influencers, user reviews) affect Generation Z's purchase decisions.

Adoption of New Technologies: The study touches on Generation Z's interest in new technologies but does not explore their actual adoption of AR and VR in online shopping.

Future research could investigate how these technologies impact the shopping experience and purchase intent.

Impact of Environmental and Ethical Concerns: This study does not address how environmental sustainability or ethical considerations (e.g., eco-friendly products, corporate social responsibility) influence Generation Z's shopping preferences. Further research could explore whether these factors shape their platform choices and purchasing decisions.

Conclusion

In conclusion, this project on Generation Z's online shopping preferences reveals significant insights into the factors shaping their purchasing behaviours. Generation Z values affordability, convenience, and security when choosing online retailers, with price being the most critical factor, followed by easy return policies and payment security. Social media and online reviews also play an influential role in their decision-making process, highlighting the growing importance of digital engagement. While concerns like privacy and product quality persist, these are secondary to factors such as pricing and trust in the retailer. Overall, the findings suggest that to cater to Generation Z, retailers must focus on offering competitive prices, secure shopping experiences, and seamless services that prioritize convenience and customer trust. Furthermore, understanding the varying influences of education, occupation, and gender on their online shopping behaviour will help brands tailor their strategies to better meet the needs of this digitally-savvy generation.

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