UNIVERSITY OF LJUBLJANA
SCHOOL OF ECONOMICS AND BUSINESS

MASTER THESIS

MAKING BRANDS MATTER TO GENERATION Z

Ljubljana, June 2020 VLADIMIRA AJDUKOVIĆ

AUTHORSHIP STATEMENT

The undersigned Vladimira Ajduković a student at the University of Ljubljana, School of Economics and Business, (hereafter: SEB LU), author of this written final work of studies with the title Making Brands Matter to Generation Z, prepared under supervision of doc. Gregor Pfajfar, PhD,

DECLARE

1. this written final work of studies to be based on the results of my own research;

2. the printed form of this written final work of studies to be identical to its electronic form;

3. the text of this written final work of studies to be language-edited and technically in adherence with the SEB LU's Technical Guidelines for Written Works, which means that I cited and / or quoted works and opinions of other authors in this written final work of studies in accordance with the SEB LU's Technical Guidelines for Written Works;

4. to be aware of the fact that plagiarism (in written or graphical form) is a criminal offence and can be prosecuted in accordance with the Criminal Code of the Republic of Slovenia;

5. to be aware of the consequences a proven plagiarism charge based on the this written final work could have for my status at the SEB LU in accordance with the relevant SEB LU Rules;

6. to have obtained all the necessary permits to use the data and works of other authors which are (in written or graphical form) referred to in this written final work of studies and to have clearly marked them;

7. to have acted in accordance with ethical principles during the preparation of this written final work of studies and to have, where necessary, obtained permission of the Ethics Committee;

8. my consent to use the electronic form of this written final work of studies for the detection of content similarity with other written works, using similarity detection software that is connected with the SEB LU Study Information System;

9. to transfer to the University of Ljubljana free of charge, non-exclusively, geographically and time-wise unlimited the right of saving this written final work of studies in the electronic form, the right of its reproduction, as well as the right of making this written final work of studies available to the public on the World Wide Web via the Repository of the University of Ljubljana;

10. my consent to publication of my personal data that are included in this written final work of studies and in this declaration, when this written final work of studies is published.

Ljubljana, June 2020 Author's signature

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF APPENDICES

INTRODUCTION

As we have stepped into 2020, Generation Z is rapidly becoming the largest group of consumers in the market (Fromm, 2018; Portell, Brown, & Ben-Shabat, 2017), who are largely influencing household spending, as well as having significant spending power that should not be neglected (Cardador, Fromm, & Read, 2018). But who are Generation Z? According to Rothman (2014), the fifth generation, known as "Generation Z, Gen Z, Digital Natives, Generation 2020, iGeneration", was born after 1995, being the first generation that did not experience the world without the Internet. Many of them do not remember a time before social media. Researchers (Ahmad & Omar, 2017) characterize them as action-oriented, multitaskers, with a high sense of creativity and expressing opinions. Moreover, Budac (2014) noted their preference for online activities such as searching for entertaining content, obtaining information, online gaming, and socializing with acquaintances in virtual worlds.

Nowadays, with global connectedness, there is no question that consumers have more exposure to brands, prices, and products than ever before. The Internet is useful in providing information, services, and communication exchange. It is interactive to a greater degree than most other forms of media, which is partly what makes it more fun and engaging. Furthermore, the world of advertising has been turned upside down by mobile devices, the Internet, social media, and societal changes. Advertisers are social influencers—their messages influence consumers, or at least try to. But today more than ever before, their advertisements must be attractive, creative, well-executed, and placed in the right form of media in order to achieve main goals (e.g. increased sales, attitude or perception change, increased product or brand awareness, provision of reminders and reinforcements). Generation Z are heavy browsers, and although browsing activity does not result in an immediate purchase, it does result in a future purchase. Thus, companies try to encourage those consumers to stay online or to come back for another visit (Goldsmith, 2016).

On the other hand, Rothman (2014) highlighted that technology use has also had a significant impact on attention span. She indicated that keeping the commitment of Generation Z is even more difficult nowadays when everyone is trying to get their attention. In fact, as some studies (Giunta, 2017) have shown, their attention span is just 8 seconds. Consequently, it makes it hard for marketers to compete for a spot in that short attention span. In comparison with other generations, Generation Z appear to be the quickest in searching for information. They have honed their searching skills to the extent that they need less effort to search on the Internet, which in turn results in them spending the least amount of time in finding the necessary information (Bergh & Behrer, 2016). Still, it is unquestionable that this attention needs to be caught on the Internet rather than other types of media.

Taking all of this into consideration, for marketers Generation Z represents a new challenge and also a need to adapt communication strategies to meet with constantly changing digital buying behaviours (Budac, 2014). It is vital for companies to attract young people because, as Goldsmith (2016) highlighted, once young people like a brand, they have a lifetime of buying ahead of them. However, companies are not yet aware of the Generation Z opportunity. Researchers (Ben-Shabat, Brown, & Portell, 2017) think that if marketers start building a presence now, they will succeed, but they should not underestimate the work required because this generation is not just about demographic and sociographic dimensions. In order to appeal to Generation Z, marketers should redefine their strategies. Furthermore, to attract them as consumers, marketing tools should be focused on creating entertaining, engaging, desirable, new and innovative products that makes young people feel socially connected and contribute to their personal development (Budac, 2014).

The purpose of this thesis is to examine and understand how Generation Z consumers perceive brands, in order to develop implications that would contribute to marketing theory and practice to succeed in making brands matter to this generation. For the purpose of this thesis, Generation Z comprises those born between 1995 and 2010 (McCrindle, 2014).

To reach the purpose of the thesis, the following goals needed to be achieved:

- discover whether brands have importance for Generation Z and whether they consider branded products in their independent purchases
- identify which media tools and communication approach they value the most
- find out how much time they spend online as well as which devices they use the most
- analyze their preference among social media platforms and the main purpose of use for selected ones
- analyze the drivers of their engagement in social media communities and the impact of this engagement on brand loyalty
- provide valuable insights based on research results

To meet the goals of this thesis, the quantitative research method was used. Questions were developed based on a theoretical overview and distributed to members of Generation Z in online form. The data obtained were analyzed with SPSS, and the results for the following hypotheses were applied in discussion:

- Hypothesis 1: Brands are important to Generation Z consumers.
- Hypothesis 2: Independent consumption of Generation Z is leading to the purchase of more branded products.
- Hypothesis 3: Items that Generation Z are interested in are mostly advertised on the Internet.
- Hypothesis 4: Instagram and YouTube are the most appealing platforms for Generation Z.

- Hypothesis 5: Entertaining content that aligns with their values drives the engagement of Generation Z in the social media community.
- Hypothesis 6: User engagement/experience in the social media community generates greater brand loyalty.
- Hypothesis 7: Influencers are the best tool for promoting products to Generation Z.

Taking into account the influence of young consumers on attitudes, consumption, and brand perception of all generations (Francis & Hoefel, 2018), this thesis seeks to provide useful insights for both researchers and practitioners. By addressing developed hypotheses, a deeper understanding of Generation Z and their brand perception were gained. Although there are several statistical reports available on the topic of this research, there is limited empirical evidence identifying how to make brands matter to Generation Z. Based on the findings on purchasing habits, communication, engagement, and loyalty, it can be concluded that this thesis contributes to the better understanding of brand preferences among Generation Z, which is critical for marketing success.

The thesis is structured in two parts: firstly, the theoretical background and literature review aiming for identification and understanding of Generation Z, their characteristics and how they differ from previous generations, as well as their market presence, purchasing habits, and attractiveness for marketers, are presented in the first two chapters. In chapter three, the empirical part is presented through research methodology and hypothesis development as well as the results of the research. Finally, discussion of the results, limitations, theoretical and managerial implications are presented in chapter four. The thesis is summarized in the conclusion.

1 UNDERSTANDING GENERATION Z

Shifting changes in human needs are an ongoing topic to consider for marketers, advertisers, sociologists, employers, educators, and policy makers. Prior to successfully determining and understanding their needs, the target audience needs to be clearly defined with reliable data. The aim of this chapter is to identify the target audience of this thesis—the members of Generation Z. Thus, as expected, this chapter starts with the demography.

1.1 Characteristics of Generation Z

Demography is the statistical study of populations and relevant changes in connection with populations throughout time. In order to describe the population or subgroups, demographic criteria, which include an array of characteristics such as size, gender, age, growth, ethnicity, employment status, income, density, distribution, movement, and other vital data can be used (Goldsmith, 2016, p. 15).

For the purpose of this thesis, research will mainly be focused on characteristics as age, or more specifically, the generation to which one belongs. Generation is a widely used term in the existing literature. The approach in generational theory, which is based on years of birth, has been conceptualized in modern empirical studies in a number of ways and several analytical frames exist for studying generational issues. However, most of them proceed from the study contributions pioneered in sociology by Karl Mannheim in 1927 (Alanen, 2009, pp. 159-174).

Probably the best-known study that follows Mannheim's classic formulation of the generations approach (Mannheim, 1952) is the Strauss & Howe (1991) theory, which proposes what they call an "age-location" perspective on history. According to their research, it has been shown that earlier events experienced at younger ages influence the behaviour of people born during the same period later at older ages. Through examining history by age location, they show how members of the same generation similarly experience certain events and develop some personality traits that are retained as they grow older. Since they stress the link between age and events, the concept of a "cohort-group", which is a "group of all persons born within a limited span of years", is central to their theory (Strauss & Howe, 1991). Although Strauss and Howe theory originally focuses on the United States, it could be applied globally, as similar patterns of habits considering culture, preferences, consumption and trends of Generation Z can be noticed around the globe (Törőcsik, Szűcs, & Kehl, 2014). This theory was further acknowledged by Twenge et al. (2010), who stated that "we can generalize cohort differences to the main cohort level of each generation for a better understanding of the profile and characteristics of prototypical individuals". Moreover, marketing theory (Solomon, Bamossy, Askegaard, & Hogg, 2006, pp. 13, 456) supported their (Strauss & Howe, 1991) notion that peer patterns create a bond with the millions of others born during the same generational span, which is retained throughout life.

similar patterns of habits considering culture, preferences, consumption and trends around the globe can be noticed (Törőcsik, Szűcs, & Kehl, 2014).

In order to define a generational category, most empirical separations rely on generational studies using birth date ranges accompanied by demographic factors (Cogin, 2012). However, individuals born in a year at the beginning of the age brackets of a particular generation are expected to display similar characteristics as a person born a year before (i.e. one who belongs to different generational category). Thus, it should not be concluded that age brackets are mutually exclusive (Meeks, Williams, Knotts, & James, 2013).

Among researchers and scholars, there are slightly different opinions on generational spans. For example, Stredwick (2013, p. 318) defined Generation X as 1965–1979, Generation Y range 1980–1990, and Generation Z as the 1990s–2000s, while Knoll's research (2014) considers the following start and end dates for Generation X 1965–1978, Generation Y 1979–1997, and Generation Z 1998 onwards. Depending on which ranges are used for each generational category, there could be some overlaps among the end of one generation cohort and the start of a new generation cohort (e.g. among Millennials and Generation Z) (Skinner, Sarpong, & White, 2018).

Regarding Generation Z, demographers tend to place everyone born in the early 90s until the mid-2000s in this generational category, while marketers, who tend to slice generations into smaller units, take the range from 1994 to 2010 (Randstad, 2017). By that definition, Gen Z, therefore, ranges from those currently aged between 10 and 26 in 2020 (Williams, 2015).

Despite variously defined opinions on the generational span, for the purpose of this thesis, the age bracket for Generation Z will be assumed as defined by McCrindle (2014), from 1995 to 2010, meaning that they are currently spanning from 10–25 years.

Table 1: Variously defined generational categories

Generation	**Tapscott (2009)**	**Stredwick (2013)**	**Knoll (2014)**	**This thesis, based on McCrindle (2014)**
Generation X	1965-1976	1965-1979	1965-1978	1965-1980
Generation Y	1977-1997	1980-1990	1979-1997	1980-1995
Generation Z	1998-2008	1990-2000	1998 onwards	1995-2010

Source: own work.

According to Rothman (2014), the fifth generation, known as “Generation Z, Gen Z, Digital Natives, Generation 2020, iGeneration” (Budac, 2014), was born after 1995 and is the first generation that has not experienced the world without the Internet. Many of them do not remember a time before social media. Researchers (Ahmad & Omar, 2017) characterize them as action-oriented, multitaskers, with a high sense of creativity and expressing opinions. Moreover, Budac (2014) noted their preference for online activities such as searching for entertaining content, obtaining information, online gaming and socializing with acquaintances in virtual worlds.

Numerous researchers (Rothman, 2014; Zhang, Zhao, & Gupta, 2018; Goh & Lee, 2018; Khan & Bansal, 2018) agree that the Internet has significantly marked Generation Z. This is the first generation who were born in a wholly integrated and globally connected world where the Internet was always available, which as a result, made them digitally savvy and influenced them like no other generation before. The fact that Generation Z has been exposed to technology and the Internet since a very young age has affected their brain structures, resulting in the far more developed visual ability portion of it. Consequently, they prefer visual and interactive activities. Moreover, they are considered as a creative, collaborative, self-confident group of individuals who thrive on instant gratification, seek gamified experiences and team spirit, require assurance for their future, and desire independence over authority (Jain, Vatsa, & Jagani, 2014).

According to world population dynamics (UnitedNations, 2019), there are currently 7.8 bn people on the globe and Generation Z, who are now between 10 and 25 years old, already represent the largest age group, covering 24% of the total world population. Based on their birth years, it can be assumed that half of Generation Z are already voting-age adults and that the majority of them have already finished high school or graduated from university.

Table 2: 2020 World population projections by age group (in thousands)

Generation	**X**	**Y**	**Z**
Years	40-55	25-40	10-25
Current World Population	1 418 928	1 745 042	1 850 851
Percentage of Total	18.20%	22.39%	23.74%

Source: Adapted from United Nations (2019).

1.2 Global events that marked Generation Z

Each generation grows up with different economic and cultural conditions which leads to the changes in their styles and expectations. To understand Generation Z, we need to take into consideration the world in which they have been growing up. According to (Goldsmith, 2016, p. 19), we can find out what affects consumers through analyzing global events that have marked their lifecycle:

- Economics
- Politics
- History
- Culture
- Personality
- Biology and Environment
- Technology

According to EY Research (Merriman, 2015), shared events influenced by social, economic, political, or technological disruptions and experienced in formative years set the stage for a common set of attitudes and behaviours. This concept was supported by the work of Schuman and Scott (1989), who acknowledged that shared collective memories are likely to impact the attitudes and behaviours of generations as they move into adulthood.

To understand Generation Z, it is important to consider that the world has never experienced so much change and at such speed as in their lifetimes. Consequently, these changes have contributed to the fact that Generation Z has become very different from generations known before.

Taking into account that consumer style is affected by the historical and current condition of national, worldwide economics and the political situation, born after 1995, Generation Z has experienced the Great Recession in 2007, followed by the worst employment rates, the 9/11 attacks on the United States, wars, and terrorist attacks (Sparks & Honey, 2015; Merriman, 2015).

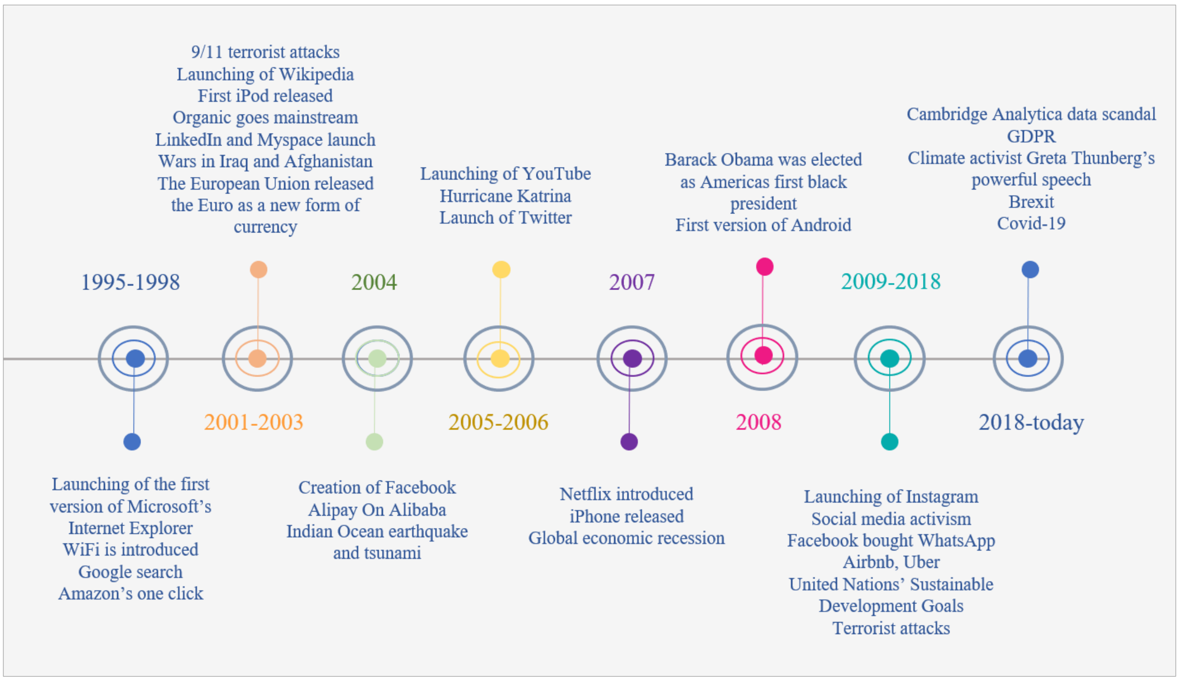
As important as the economic and political situation, background, including past family history and the history of the society in which the individual lives, greatly shape the way consumers' decisions are made. Generation Z's parents tend to educate them to prepare for life through higher expectations, empowerment, responsibility, and adult-like treatment. They encourage a two-way street of sharing opinions and advice, which results in more open and constructive conversations (Merriman, 2015). The behaviours of groups, cultures and subcultures that surround the individual strongly impact their style (Solomon, Bamossy, Askegaard, & Hogg, 2006, p. 587), which is known as social influence or "the process through which an individual's perceptions and actions are affected by other people". (Smith, Paul, & Winnifred, 2011). Research by Chatzisarantis et al. (2009) supports the idea of interdependence with the group that one identifies with, as well as the influence of that group on the attitudes and behaviour of its members. In addition to social influence, one's personality traits, characteristics, and likes and dislikes also determine a consumer's choices (Solomon, Bamossy, Askegaard, & Hogg, 2006, p. 587).

The environment in which individuals live is also an important factor affecting consumer style. What greatly distinguishes Generation Z from other groups, other than their age, is their spirit for activism and awareness of their role in the world as part of a large ecosystem as well as the need to contribute improving it (Merriman, 2015). Witnessing man-made disasters as well as natural ones brought on by climate change, such as global warming issues, hurricanes Katrina and Sandy, record heat, floods, and bush fires in Australia (Hasnan, 2019) made them lead their own initiatives (likewise young activist Greta Thunberg), (Winston, 2019) and create global movements towards the halt of climate change.

Having boundless access to modern technology and constant advancements from birth, Generation Z has had a unique relationship with it. Several studies (Budac, 2014; Williams, 2015; Sparks & Honey, 2015) state that Generation Z has witnessed the rise of mobile devices, cloud computing, and the advancement of the Internet (Web 2.0 and the introduction of Facebook in 2004, followed by YouTube in 2005 and Twitter in 2006; the first iPhone and Google Street View in 2007, etc.), which has influenced the way they look for solutions and their willingness to make things on their own (Merriman, 2015).

Considering all of the above, members of Generation Z have always known turbulence and instability, and have learned that change and diversity are a way of life and are expected. They want to change the world, to be socially responsible, to have an early interest in environmental issues, and to make high impact contributions to our society. The factors mentioned above are the reasons and events that have marked Generation Z (see Figure 1).

Figure 1: Global events that have marked Generation Z



Source: Adapted from Budac (2014).

1.3 Differences to be considered in the generations approach

For marketers, advertisers, sociologists, employers, educators, and policy makers, tackling generational differences effectively and strategically is of key importance. By understanding and distinguishing between each of the generations, they can benefit from timely preparation for possible challenges and discover new opportunities. With more generations coexisting than ever before, generational studies now form an important part of sociology, providing significant implications for further strategic decisions. Initially, in order to be able to target consumers of each group, marketers, advertisers, sociologists, employers, educators, and policy makers need to recognize their values, define their communication style, and address cultural and technological impacts on their everyday decisions (McCrindle, 2014).

Generation X or those born between 1965–1980, also referred to as the Baby Bust generation due to the declining birth rates compared to the prior generation (Dewanti & Eko Indrajit, 2018; Tapscott, 2009) are now adults between 40 and 65 years of age. Compared to members of previous generations, both of their parents were working, although they have faced limited career opportunities. Challenges like family instability, increased divorce rates, and single-parent households are familiar to this generation (Austin, Dellaway, Kuhn, & Spitz, 2018). Such childhood and life experiences have shaped some of their key characteristics, such as their scepticism, addiction to work, competitiveness, and cautiousness (Tapscott, 2009). Since the introduction of the Internet occurred during their teenage years, Generation X had to adapt from analogue to digital and have managed to become comfortable with the technology (McCrindle, 2014); however, they are still keen on reading the newspaper, listening to the radio, and watching TV (Forbes, 2016). Although they are familiar with many communication tools, email is still their preferred option (Austin, Dellaway, Kuhn, & Spitz, 2018). Research (Francis & Hoefel, 2018) has shown their interest in brands and luxury items that are perceived as status symbols. Prior to making a purchase, they are willing to get informed and conduct thorough research about the products and services, in order to be satisfied with their choice (Jörg, 2017a).

Generation Y or Millennials are those born between 1980–1995. Their childhood was marked by better conditions compared to those that Generation X grew up in, which made them more optimistic (Francis & Hoefel, 2018; McCrindle, 2014). They were, however, less resilient after facing the economic crisis (McCrindle, 2014). Moreover, members of Generation Y, who are currently between 25–40 years old, have been labelled as self-centred and lazy, but they have proved to be hardworking and resourceful when it comes to improving global living conditions (efforts around environment, fair-trade and social topics) (Jörg, 2017b). Reports (Austin, Dellaway, Kuhn, & Spitz, 2018; Sparks & Honey, 2015) have shown that they are used to constant availability through various social media platforms and can simultaneously keep up with two screens, which makes them even more tech-savvy than the preceding generation (Tapscott, 2009). Taking into account their spending habits, Generation Y is interested in experiences and personalized items (Francis & Hoefel, 2018) and their decisions are often influenced by brand advertisements, especially ones that are perceived as honest and reliable (Jörg, 2017b).

The focus of this thesis, members of Generation Z, are those born between 1995 and 2010 (McCrindle, 2014). Besides the previously mentioned important socio-economic conditions that have marked this generation, growing up constantly exposed to the flow of digital information has greatly influenced every aspect of their lives (Dingli & Seychell, 2015).

Technology could be perceived as their sixth sense (Randstad, 2017), which enables them effortless multitasking on up to five screens simultaneously (Skinner, Sarpong, & White, 2018). Constant connectivity of those 10–25-year-olds has led to similar patterns of habits considering culture, preferences, and trends around the globe (Törőcsik, Szűcs, & Kehl, 2014). It is essential to mention how aware they are of global issues (Austin, Dellaway, Kuhn, & Spitz, 2018), and how determined they are in addressing topics such as sustainability, human rights, inclusion, diversity, and avoidance of labels (Francis & Hoefel, 2018). Previous generations would agree that members of Generation Z are the most likely to lose their interest the fastest; thus, it has been recommended to communicate with them in short, concise, and visual messages. Although they are generally perceived as the generation that prefers digital methods of communication, surprisingly they still value personal relationships (Sparks & Honey, 2015).

Moreover, their inspiration is affected by peer reviews and influencers' opinions on social media platforms (Jörg, 2017c) and they are highly likely to engage in social media communities, which give them a sense of belonging. Considering consumption, they seek access rather than ownership, which has caused the rise of subscriptions, streams, and car-sharing and other types of share services. To conclude, the consumption of Generation Z is highly influenced by their need to be authentic, to express their identity, and to praise the brands that contribute to addressing global issues (Francis & Hoefel, 2018).

Table 3: Overview of the main differences between Generations X, Y and Z

	Generation X	**Generation Y**	**Generation Z**
Personality and Values	Independence Work-life balance Scepticism Cautious Adaptable	Optimistic Purpose-driven	Agile Authentic Inclusive Self-expressive Global generation
Communication	Email	Instant messaging Social media	Social media and personal communication
Technology	Digital adaptives 1 screen	Digital natives 2 screens	Digital natives - sixth sense 5 screens
Spending Habits and Brand Perception	Research prior purchase Cautious	Experiences Personalization Advertisements Environmentally friendly	Brand ambassadors, influencers Social media communities Ethical concern

Source: Adapted from McCrindle (2014, pp. 59-72) *and Dewanti & Eko Indrajit* (2018).

2 GENERATION Z – A NEW TARGET MARKET FOR BRANDS

Further to identifying the characteristics of Generation Z and distinguishing them from previous generations, understanding that Generation Z is rapidly becoming the largest group of consumers in the market (Fromm, 2018; Portell, Brown, & Ben-Shabat, 2017), who are influencing household spending, and having a direct spending power of 29 to 143 billion dollars (Cardador, Fromm, & Read, 2018) could have significant implications for marketers. It has become imperative to target them in order to timely start building their loyalty. However, reaching Generation Z will be demanding, as this is becoming one of the objectives that many marketers are eager to achieve (Solomon, Bamossy, Askegaard, & Hogg, 2006).

2.1 Impact of generational changes on marketing mix

Considering that the influence of Generation Z on household purchases is increasing rapidly and according to a Kearney study (Portell, Brown, & Ben-Shabat, 2017), by 2027 we can expect 82 million (the majority) consumers in the US market to be members of this generation, marketers are already recognizing the need to start adapting their strategies (Budac, 2014).

Marketing theory (Solomon, Bamossy, Askegaard, & Hogg, 2006, p. 8) states that companies' existence is conditional upon recognizing and satisfying the needs of its consumers. In order to succeed, companies' marketing plans need to include a detailed understanding of their target groups, that is superior to that of their competitors. Although traditional demographic dimensions and marketing channels have proved to be a successful practice for previous generations, they are not applicable enough to meet the expectations of Generation Z. Marketers who underestimate the need to adjust their strategies for this unpredictable generation showing a radical change in consumption patterns will suffer declining returns. In contrast, marketers who are willing to challenge familiar practices and adjust components of their marketing mix will succeed (Budac, 2014; Portell, Brown, & Ben-Shabat, 2017). Marketing mix was defined by Kotler & Armstrong (2008) as the "mixture of controllable marketing variables that the firm uses to pursue the sought level of sales in the target market". Nowadays, those variables require adjustments on all levels, mainly due to demographics shifts, changing cultural values, and constant connectivity (Portell, Brown, & Ben-Shabat, 2017).

2.1.1 Product

Generation Z consumers are interested in products that enable them to be entertained while experimenting and that satisfy their need for belonging, by building communities, where they can influence their peers and brands. They are fashion-conscious consumers, who desire personalized products and innovative gadgets, and are influenced by social media recommendations. Members of Generation Z are willing to trade their personal data for personalization and a better consumer experience, although they are more cautious in controlling what they share. Considering that brand trust is declining, companies can still build valuable competitive advantage by transparency and respect of customer privacy (Budac, 2014; Portell, Brown, & Ben-Shabat, 2017). Being highly aware of environmental issues has led their preference towards companies that promote sustainability, social impact, and green products. The shifting needs of Generation Z have compelled companies to implement environmentally friendly programmes in order to succeed in targeting them (Kanchanapibul, Lacka, Wang, & Kai Chan, 2014; Budac, 2014; Portell, Brown, & Ben-Shabat, 2017).

2.1.2 Price

Unlike previous generations of consumers, who were likely to pay higher prices for brands that had a greater value, Generation Z is looking beyond that, considering how the company's reputation complements their values. In order to succeed in the market, companies must be careful about social responsibility, product design, manufacturing methods, and their ethics, as well as the ethics of their business partners. Members of Generation Z prefer experiences rather than ownership, so they are willing to rent or share various products and services. The rapid success of companies like Uber, Airbnb and Netflix demonstrates that rethinking business models will be high on the companies' agendas in order to survive in the market (Budac, 2014; Portell, Brown, & Ben-Shabat, 2017).

2.1.3 Promotion

Hyper-connectivity and the possibility to use technology for making purchases or exchanging experiences challenges marketers to replace traditional channels with digital platforms, which enable better engagement, two-way communication, and instant connection. In order to reach the Generation Z audience, companies need to be present in social networks, have campaigns that are oriented towards various channels, and include interactive visuals and the possibility to be shared with others. Characterized as a generation of multitaskers, members of Generation Z prefer user-friendly products that allow them simultaneous use of various applications (Budac, 2014; Portell, Brown, & Ben-Shabat, 2017). On the other hand, providing access to various applications would not suffice, as these generations are trying to limit the distractions of such technologies (Randstad, 2017). Researchers (Solomon, Bamossy, Askegaard, & Hogg, 2006, pp. 47, 272) highlight that being exposed to numerous choices and various competing brands affects consumers with the feeling of being overwhelmed, due to the limited ability to process all of the information. As a result, consumers' attention is becoming selective, concentrating on small portions of stimuli, while ignoring others. Rothman (2014) and Giunta (2017) supported this notion by showing that attention the span of this generation, highly affected by technology, currently amounts just 8 seconds. Moreover, Budac (2014) further elaborated that companies need to communicate in a maximum of five words and big pictures in order to reach Generation Z. Consequently, marketers will struggle to keep the commitment of this generation and will have to constantly adapt their communication strategies.

2.1.4 Place

The growth of the online market has enabled marketers to reach customers around the globe but has also made this landscape highly competitive with millions of websites that are not limited by geographic barriers (Budac, 2014). Marketing theory (Solomon, Bamossy, Askegaard, & Hogg, 2006) has identified the factors, such as consumer experience, personalization, accurate product description, timely delivery, secure payment, and responsive customer services, that could be used by companies to affect consumer loyalty and attitude towards a website. Importantly, as shown in a Swedish survey (Solomon, Bamossy, Askegaard, & Hogg, 2006, p. 315), searching for product or service information is more important than the actual purchase. Despite the growth of online markets, combining the online with brick-and-mortar is the fastest growing trend in the consumption patterns of this generation. Marketers need to come up with ways to blur the lines between shopping and entertainment, offering consumers an engaging environment in which they can search for products with sensory appeals not available online (Solomon, Bamossy, Askegaard, & Hogg, 2006).

2.2 The role of social media in brand building

Nowadays, social media has become a key channel for communication and information exchange, highly affecting every aspect of our lives; thus it is inevitable to expect the progressive usage of social media tools for developing business practices and marketing strategies (Boyd & Ellison, 2007; Kilgour, Sasser L., & Larke, 2015). As the Internet is being used as a research, entertainment, and timely, two-way communication tool, marketers are recognizing the need to leverage it in order to access a vast customer audience and be able to interact with them (Arslan, 2017; Kim, Spiller, & Hettche, 2015).

According to the recent Center for Marketing Research report (Barnes, Mazzola, & Killeen, 2020), which monitors the use of social media among Fortune 500 companies, it has been noticed that those companies are highly aware that social media is the main channel for brand communication, and therefore continue maintaining their social media presence. In fact, 99 per cent of Fortune 500 companies are using the LinkedIn platform, 96 per cent have active Twitter accounts, 95 per cent have Facebook, 90 per cent have YouTube channels, 73 per cent have Instagram accounts, and 54 per cent maintain corporate blogs. Although LinkedIn, Twitter and Facebook seem the most important, platforms such as YouTube and Instagram are increasingly attracting customers' attention, especially that of Generation Z. Benefits such as higher brand awareness, customer engagement, target advertising, strong ROI, and overall sales increase should be sufficient incentive for companies to focus their marketing strategies on those platforms. Considering the size and the wealth of the Fortune 500 companies, many valuable marketing insights could be obtained by examining their use of social media (Barnes, Mazzola, & Killeen, 2020).

Table 4: Social media presence of the Fortune 500 companies in the last three years

Social media platforms	2017	2018	2019
LinkedIn	98%	98%	99%
Twitter	88%	91%	96%
Facebook	85%	89%	95%
YouTube	75%	77%	90%
Instagram	53%	63%	73%
Blog	42%	53%	54%

Source: Barnes, Mazzola, & Killeen (2020).

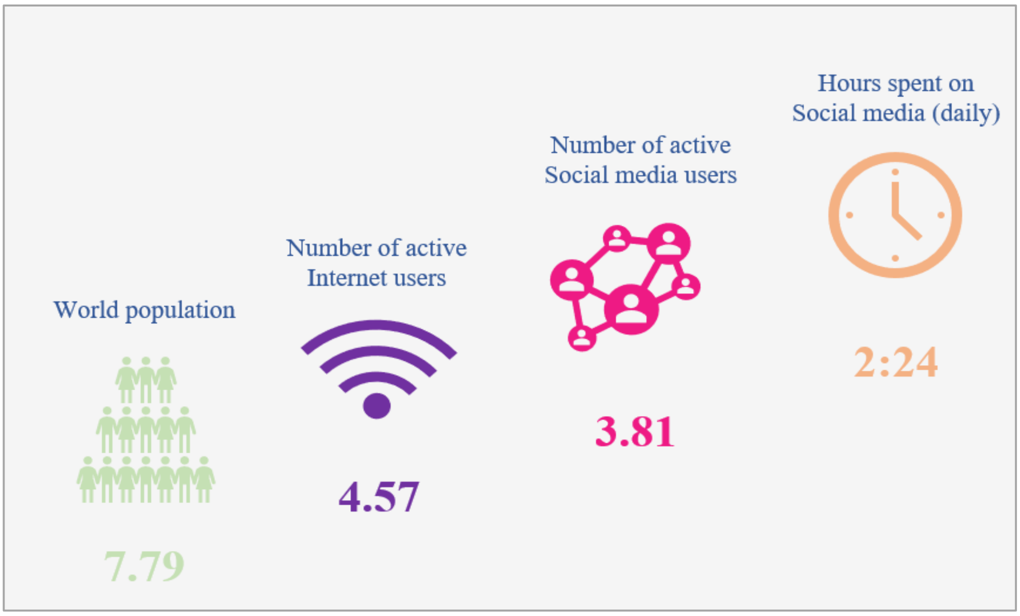
Researchers Rohm, Kaltcheva, & Milne (2013), provided empirical evidence of consumers' motives to connect with brands through social media. They include "product information", "entertainment", "brand engagement", "responsiveness of customer service", and "incentives/promotions". On the other hand, marketers have two main intentions when using social media: (1) building customer relationships, which impacts a positive attitude towards the brand as well as brand loyalty, and (2) having a substantial base of active consumers, which impacts their purchasing decisions (Mutum D., Ghazali, Asraf Mohd-Any, & Nguyen, 2018; Labrecque, 2014).

Firstly, marketers are using social media content that drives meaningful interactions in order to build stronger customer relationships (Labrecque, 2014). Further to stronger customer relationships, it has been shown that two-way interactions with consumers lead to positive preferences towards the brand and brand loyalty (Mutum D., Ghazali, Asraf Mohd-Any, & Nguyen, 2018; Labrecque, 2014). Brand loyalty, as defined by Solomon, Bamossy, Askegaard, & Hogg (2006), is "a form of repeat purchasing behavior reflecting a conscious decision to continue buying the same brand". Since it is established at a young age and further developed in adulthood, getting the commitment of Generation Z is crucial for marketers in order to timely gain competitive advantage (Toomey & Francis, 2013). Marketing theory (Solomon, Bamossy, Askegaard, & Hogg, 2006) states that teenagers who develop a preference for a brand possibly continue purchasing it throughout their adulthood.

Secondly, using social media enables marketers to engage with consumers, and especially Generation Z, by creating virtual communities, whose members can exchange experiences with their peers, give feedback about products and services, and partake in brand development (Budac, 2014). Having highly involved customers who write recommendations and reviews and initiate discussions further motivates collaboration, which is a key to the success of communities (Arslan, 2017; Emerald, 2015). Customers are increasingly engaging in virtual communities before they visit a store, in order to hear others' opinions and get insights which will help them make purchasing decisions (Chan, Lu, & Wang, 2017). Moreover, the greatest benefit for companies' messages is when a person who has social power endorses it (Emerald, 2016). Social power refers to the ability to influence the attitudes and beliefs of others (Solomon, Bamossy, Askegaard, & Hogg, 2006). Companies have started identifying reliable social media influencers in order to provide them with information that they can pass on to communities or enable them to pre-screen, evaluate, and synthesize product information in their own words (Chan, Lu, & Wang, 2017), which is more credible for purchasing decisions from the consumer's point of view (Chan, Lu, & Wang, 2017).

Importantly, the theory has also been supported by statistics and numbers, which can speak for themselves. Namely, almost 60% of the world's population, or 4.57 billion people, are actively using the Internet and almost 49% of the world's population, or 3.81 billion people, are active on social media platforms. The average person spends 2 hours and 24 minutes on social media daily. Hence, the majority (83%) of Internet users—which represents a large pool of potential customers—could be targeted on social media daily (UnitedNations, 2019, Clement, 2020). The key indicators presented in Figure 2 should be considered while developing a marketing strategy and selecting appropriate marketing tools.

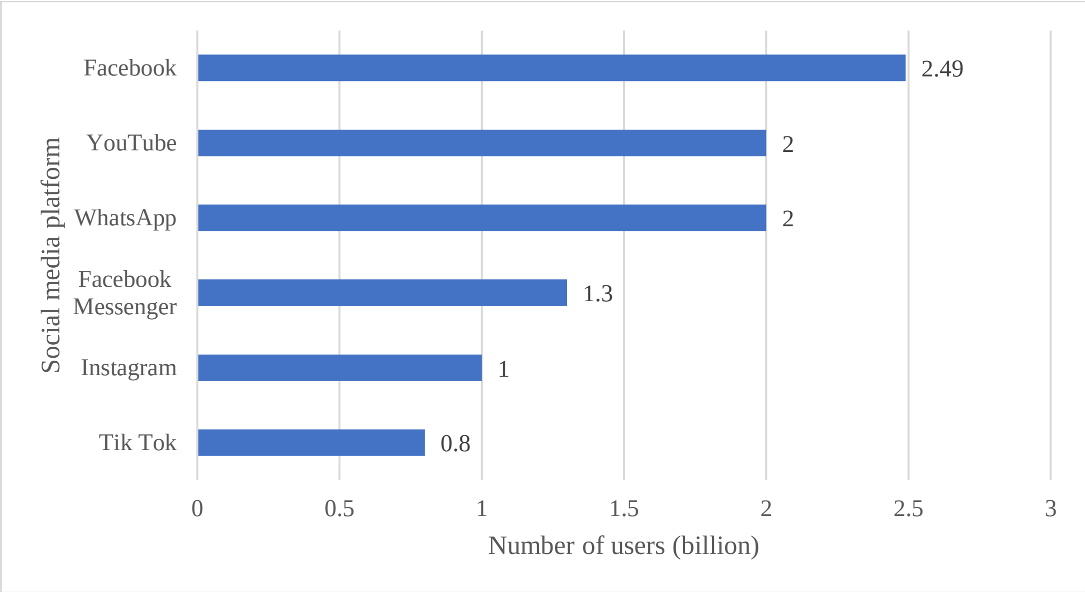
Figure 2: Overview of key statistical social media indicators for 2020 (in billions)



Source: Adapted from United Nations (2019), Clement (2020a), and Kemp (2020) based on (Globalwebindex, 2019).

Taking into account the yearly comparison and future projections, we can conclude that the numbers have increased rapidly and are expected to continue increasing in that manner. With 63% of social media users, or 2.5 billion people, Facebook is still the leader, followed by YouTube and WhatsApp, which are preferred by 52% of social media users, or 2 billion people, each. Instagram and TikTok, which have reached the first billion and 0.8 billion, respectively, are continuously evolving.

Figure 3: Number of users by selected social media platform (in billions)



Source: Adapted from (Clement, 2020b).

We can conclude that daily use of social media has resulted in marketers becoming more aware of its role for building the relationship between brands and customers. They have realized how their efforts on social media are impacting their customers, and are finding ways to leverage the advantages of marketing through social media for gaining customer trust, increasing sales, and decreasing marketing costs (Chan, Lu, & Wang, 2017) as well as for fast information sharing, direct communication, and the opportunity to get to know target customers (Arslan, 2017).

3 QUANTITATIVE RESEARCH

Following the comprehensive theoretical background and literature review, this chapter focuses on the empirical part of the thesis. The chapter starts by underlining the purpose of the study and presenting the process of hypothesis development based on academic resources. Furthermore, the methodology, measures, and design of the questionnaire were described. Lastly, analysis of primary data, collected through an online questionnaire, and hypothesis testing were conducted.

3.1 Research design and hypotheses development

The purpose of the thesis is firstly to understand the new generation, their characteristics, their difference from other generations, and their attractiveness to marketers through the scientific literature and secondly, to research this topic with primary data obtained to examine the ways of presenting, communicating, and promoting brands to members of this generation. The main objective is to identify implications for marketers for how to successfully make brands matter to Generation Z. To meet the goals of this thesis, based on the literature reviewed, several hypotheses are proposed.

Pre-teen and teenage group customers represent a challenging target audience for marketers. Toomey & Francis (2013) pointed out that even though brand loyalty of young consumers is low, they still represent an attractive market segment. Their argument is supported by the notion that if brand preference is developed at this young age, it could be preserved through adulthood. Quart (2003) indicated that young people exert a significant influence on family purchasing decisions and that owning a branded product is important to them. Considering Kearney’s projections (Portell, Brown, & Ben-Shabat, 2017), it is estimated that by 2027 Generation Z will represent the biggest group of US consumers. Consequently, the following hypotheses are proposed:

H1: Brands are important to Generation Z consumers.

H2: Independent consumption of Generation Z is leading to the purchase of more branded products.

According to the data obtained from Statista (Clement, 2020a), the total number of Internet users in the world in 2020 exceeds 4.5 billion and this number is continually rising. The emergence of the Internet has made everything easily accessible. Researchers (Straker, Wrigley, & Rosemann, 2015) have indicated that new technology has revolutionized the communication and interaction of companies with their customers. They consider social media as a marketing environment and approach it differently than the traditional environment (Arslan, 2017). Another study (Göbel, Meyer, Ramaseshan, & Bartsch, 2017) revealed that it has become a challenge to reach consumers through traditional media, as a result of increased time spent on the Internet and social media. Taking into account the fact that social media provides an opportunity to reach an enormous pool of potential customers, particularly young ones (Arslan, 2017), businesses are reevaluating their strategies. Young generations use online platforms more frequently and check them almost unconsciously. Social media platforms are a great way for media companies to reach younger audiences that might not otherwise engage with more traditional media outlets. Researchers (Loureiro, Gorgus, & Kaufamnn, 2017) have pointed out the advantage of using visual and interactive elements in communication with younger generations. Moreover, prior research (Dessart, Veloutsou, & Morgan-Thomas, 2015) has indicated that young consumers interact with brands via various social media platforms. Kilgour, Sasser, & Larke (2015) pointed out that marketers should familiarize themselves with the available tools in order to develop content that fits. Thus, the following hypotheses emerge:

H3: Items that Generation Z are interested in are mostly advertised on the Internet.

H4: Instagram and YouTube are the most appealing platforms for Generation Z.

With the new technology, the way companies communicate with customers has changed (Straker, Wrigley, & Rosemann, 2015). It has enabled two-way communication and entirely new forms of customer engagement (Strategic Direction, 2015). According to Kim, Spiller, & Hettche (2015), meaningful interaction with customers and their engagement is an important priority on marketers' agenda. Consequently, marketers strive to understand the key drivers that affect customers' interaction with brands and to incorporate those drivers into the social media communication process. Research findings (Loureiro, Gorgus, & Kaufamnn, 2017) reveal that action-related components are more effective for the engagement process. Similarly, Gong (2017) pointed out that engaging customers in value creation, enabling them to impact or contribute to brand development, can yield a sustainable competitive advantage. Researchers (Rohm, Kaltcheva, & Milne, 2013) have already identified the key drivers for consumer engagement. Moreover, theory (Dessart, Veloutsou, & Morgan-Thomas, 2015) suggests that online brand engagement positively influences brand loyalty. Besides keeping loyal customers satisfied, dissatisfied ones can be timely identified and managed through social media. As customers tend to switch for alternative online platforms, commitment in the online community is becoming more important (Zheng, Cheung, Lee, & Liang, 2015). Fortunately, as prior studies (Zheng, Cheung, Lee, & Liang, 2015) have found, such commitment likely develops a positive attitude toward the brand. Therefore, the following hypotheses are derived:

H5: Entertaining content that is aligned with their values drives the engagement of Generation Z in the social media community.

H6: User engagement/experience in the social media community generates greater brand loyalty.

The rising popularity of influencers has had a huge impact on attitudes towards brands and products, mainly driven by the content promoted on their social media accounts. As a result of global connectedness and the rise of online communities, consumer influencers are gaining their presence on the market. It has enabled them to impact brand equity as never before. Consumers have become brand ambassadors and the most influential can change other people's perceptions about a brand, thus becoming an integral part of marketing strategies. Key influencers have a large audience that is likely to notice everything that they post. Thus, finding out what they would endorse and diffuse can generate significant returns (Booth & Matic, 2011). Research (Mutum, Ghazali, Asraf Mohd-Any, & Nguyen, 2018) has shown that a positive attitude towards the influencers messages resulted in positive attitudes towards the brand and purchase intentions. It is important to mention that trustworthy and reliable sources are more likely to affect consumers' attitudes (Harmon and Coney, 1982). To conclude, promotion that comes from influencers is often better accepted than that which comes directly from the company (Strategic Direction, 2016). Hence, the following hypothesis is formulated:

H7: Influencers are the best tool for promoting products to Generation Z.

3.2 Methodology and design of the questionnaire

The empirical part of this thesis is based on the quantitative research method. Primary data was obtained through a survey, which was designed to capture behaviour, beliefs, values, intentions, motivation and attitudes on social media, brands, and influencers, as well as demographic and lifestyle characteristics of members of Generation Z. The current knowledge represented in books, scientific literature, websites and reports supported the findings from the analysis.

A survey is a form of a structured questionnaire given to a large sample of people and designed for obtaining specific information from the respondents. It is the most common method of primary data collection. A wide range of issues can be examined using survey research. The main objective is to translate the main hypothesis into a set of specific questions that respondents are willing and able to answer. Moreover, the survey should require minimum demand and should encourage respondents to complete it in full, without biasing their responses. Incomplete surveys have limited usefulness, so in order to keep a respondent involved throughout a survey, fatigue and boredom should be minimized (Malhotra, 2012).

Since Generation Z is constantly connected to the Internet, an online survey was designed in order to reach as many target respondents as possible. The attributes of online surveys, such as interactivity, the possibility of personalization, and flexibility for answering it at a time and a place convenient to each respondent, were considered highly beneficial for this study. Moreover, an online survey can be conducted quickly, and the data collected can be analyzed almost in real time. However, there are disadvantages of online surveys to be acknowledged. The same respondent can fill out the survey more than once, and sample control and response rates are low. Perhaps the biggest issue to be tackled is how to motivate the respondents to answer the questions (Malhotra, 2012).

The target population comprised young people born between 1995 and 2010, i.e. members of Generation Z (current age 10-25 years). The link to the online survey, which was designed with the online survey tool 1KA, was posted on the Internet (via Facebook), as well as sent directly to parents/guardians and primary school teachers. Primary school teachers distributed the link among students through remote online portals because the data was collected during the closure of educational institutions.

The survey contained 17 questions that could be responded to by clicking an icon or selecting or typing an answer. To reduce the dropout rate, a progress bar that shows the percentage of completeness was included. The scales from various academic research studies (Hassekiel, 2018; Mutum, Ghazali, Asraf Mohd-Any, & Nguyen, 2018; Arslan, 2017; Enginkaya & Yılmaz, 2014; Bobalca, Gatej, & Ciobanu, 2012) were adapted to measure consumer engagement and brand loyalty. Respondents were asked to rate the statements on a 5-point Likert scale ranging from 1 – "Strongly disagree" to 5 – "Strongly agree", which allowed for insightful data to be captured. The final version of the survey can be found in Appendix 2.

3.3 Analysis of data and hypothesis testing

The data was collected from March 24 to April 7. During that time, a total number of 286 responses was retrieved. The survey was accessed through a smartphone by 195 respondents and through personal computers by 91 of them. Analysis was performed with the software package IBM SPSS version 25.0 and Microsoft Excel. After removing incomplete responses, a representative sample of 234 valid responses remained, and their responses were used for further analysis. Reliability and consistency were measured with Cronbach Alpha, which showed good data consistency with a value of .83 (George & Mallery, 2006).

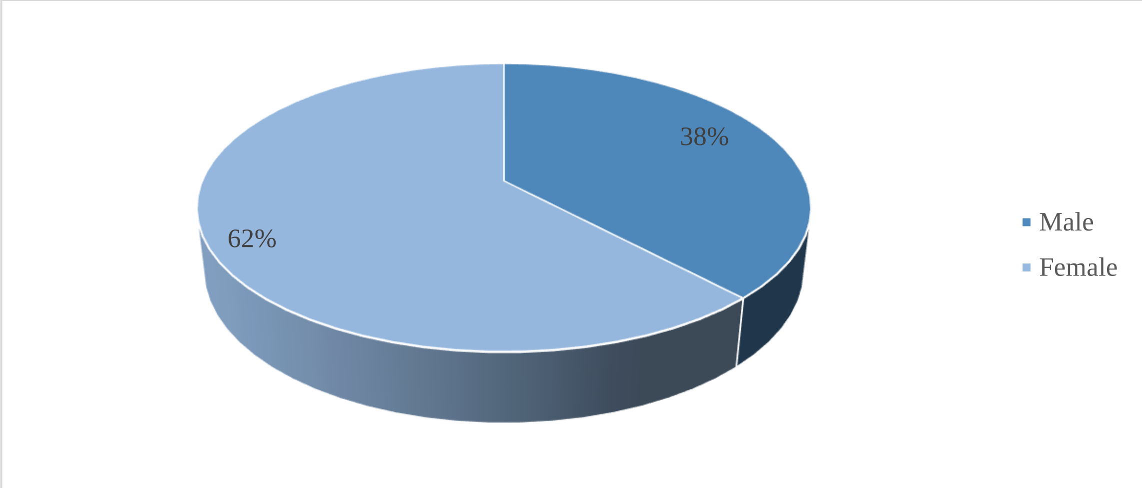
SPSS methods were used as follows:

- Descriptive statistics to observe arithmetic mean, standard deviation
- Cronbach Alpha for measures of reliability and consistency
- Non-parametric binomial test
- One-Sample T-test
- Weighted score
- Linear regression
- Principal Component Analysis (hereinafter: PCA)

3.3.1 Data analysis

As shown in Figure 4, in the sample of 234 respondents, there is a higher number of female respondents (145 or 62%) compared to male respondents (89 or 38%).

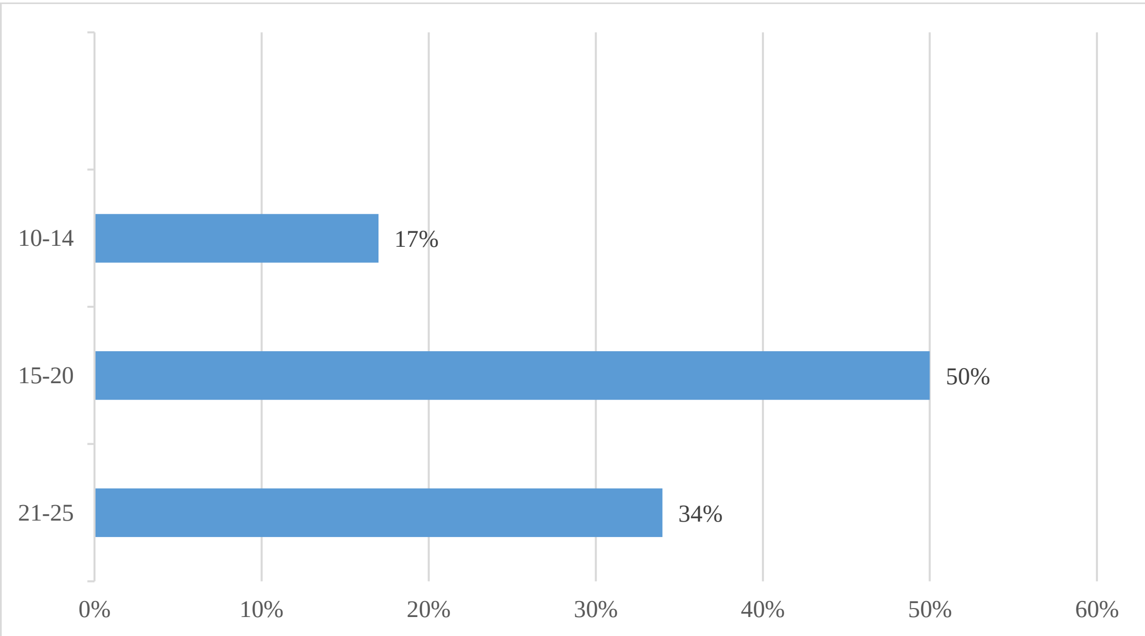
Figure 4: Distribution of survey respondents by gender



Source: own work.

In terms of age distribution, half of sample (116 respondents) are aged between 15–20 years, while in the other half of the sample 34% of the respondents (79 respondents) are from the oldest group (21-25 years) and 17% of the respondents (39 respondents) are from the youngest group, aged between 10–14 years.

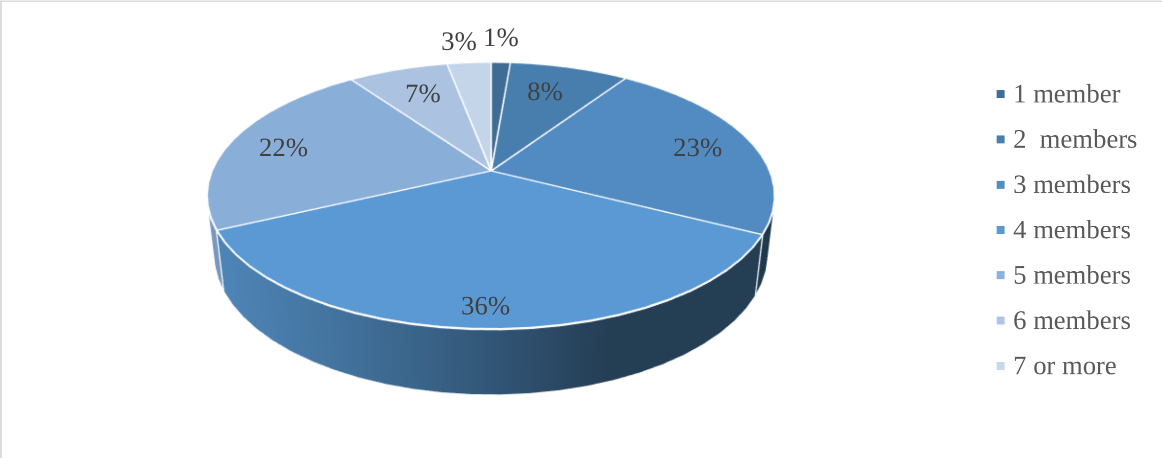
Figure 5: Distribution of survey respondents by age groups



Source: own work.

Most of the respondents in the sample are living in households with 3–5 members (namely 23.1% live in a 3-member household, 36.5% in a 4-member household and 22.2% in a five-member household), which is an expected result, as approximately 50% of the sample represent young respondents that include children (minors), who still live with their parents or guardians.

Figure 6: Distribution of survey respondents by household size



Source: own work.

The impact of Generation Z on family consumption and purchasing decisions was considered an important question to be examined. Therefore, data based on the frequency of contribution of Generation Z in certain actions was collected. Based on the responses presented in Table 5, it can be concluded that Generation Z is considerably influencing family consumption (32.1% "Daily", 29.9% "Often") with the emphasis on daily contribution. Moreover, they are also highly influencing shopping decisions (36.8% "Occasionally", 33.8% "Often"). Importantly, Generation Z is engaging notably in the actual shopping activities (45.3% "Occasionally", 28.6% "Often").

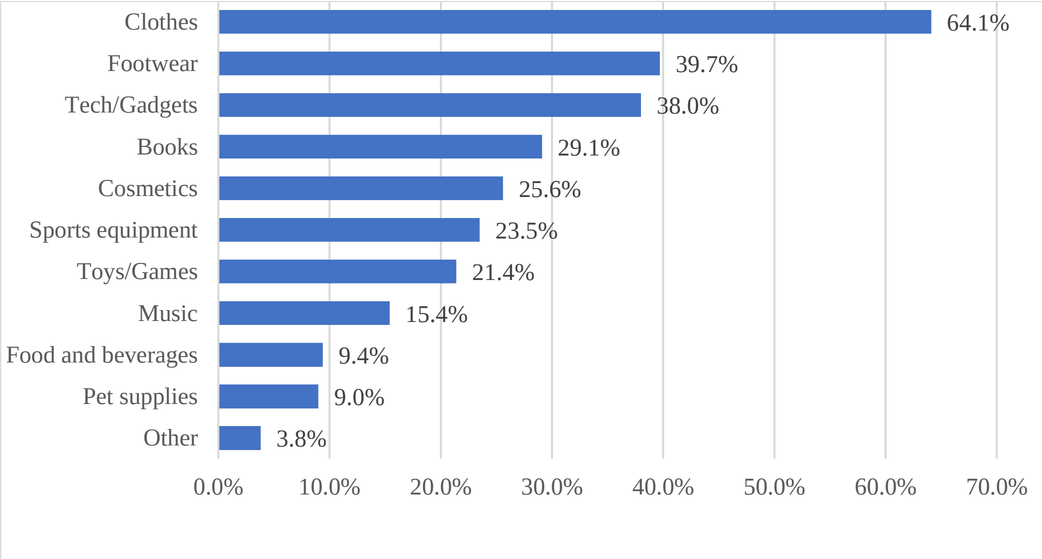
Table 5: Distribution of survey respondents by frequency of contribution (in %)

	Daily	**Often (3-4 times a week)**	**Occasionally (2-3 times per month)**	**Sometimes (2-3 times a year)**	**Rarely (less than 2 times a year)**	**Never (%)**
Family consumption	32.1	29.9	21.8	8.5	4.3	3.4
Shopping decisions	12.4	33.8	36.8	12.8	2.1	2.1
Actual shopping	9.4	28.6	45.3	13.2	2.1	1.3

Source: own work.

As seen from Figure 7, members of Generation Z are engaging in online shopping to obtain various items but substantially for clothes (64.1%) followed by footwear (39.7%) and tech/gadgets (38%). On the other hand, they are not keen on buying groceries (only 9.4%) and pet supplies (only 9%) in e-stores.

Figure 7: Product categories bought online



Source: own work.

Older generations often have a perception that Generation Z spend most of their day online. Although some of them spend more than one third of the day consuming online media (10.7% and 4.7% of respondents), according to the findings, it would be more appropriate to say that members of Generation Z mostly spend 2–4 hours per day online (44% of respondents). In comparison, only 1.3% reported not using online media on a daily basis. Compared to less than 1 hour per day consuming traditional media such as television, newspaper, and radio (50.9% respondents), it is evident that online media is the most efficient option for reaching Generation Z.

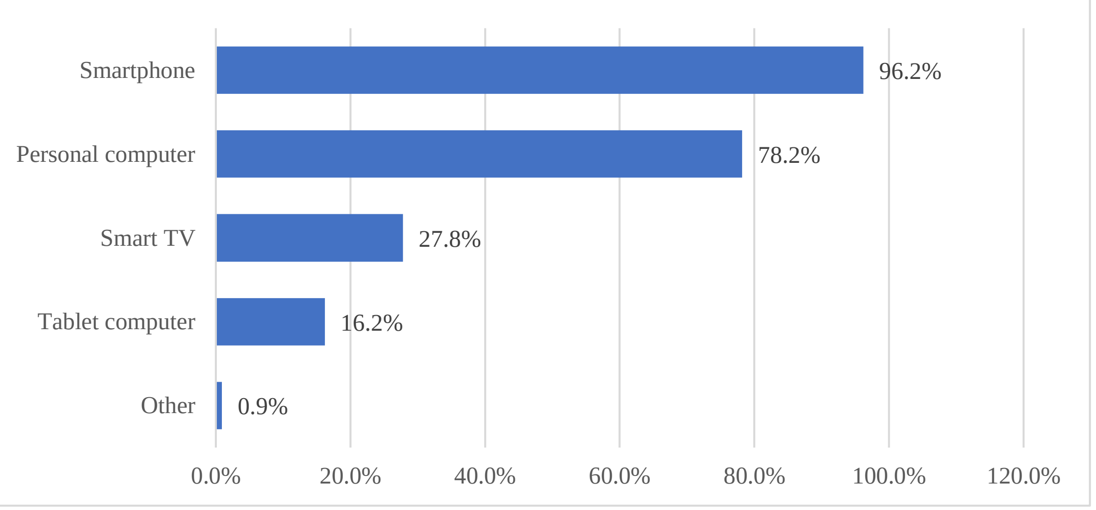
Table 6: Daily usage of online vs. traditional media (in %)

	None (%)	**Less than 1 hour/day**	**2-4 hours/day**	**5-7 hours/day**	**8-10 hours/day**	**11 or more hours/day**
Online	1.3	8.5	44.0	30.8	10.7	4.7
Traditional media (TV, newspaper, radio, etc.)	11.5	50.9	30.3	5.1	2.1	0.0

Source: own work.

Having in mind that Generation Z is using more devices simultaneously, multiple responses were enabled for the question presented in Figure 8. The results are in line with what was expected, showing that smartphones and personal computers are the most used devices for accessing the Internet, with 96.2% respondents and 78.2% respondents, respectively.

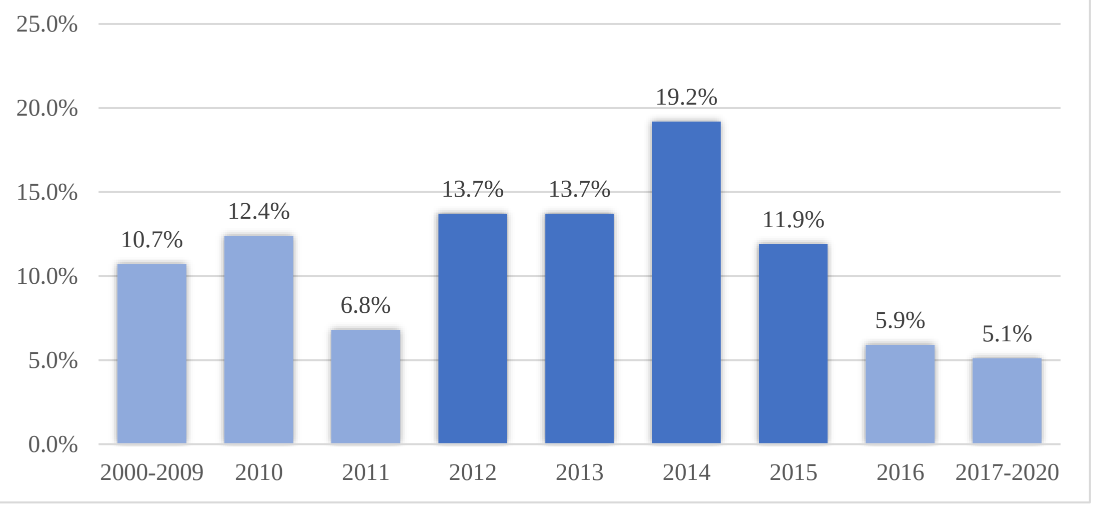
Figure 8: Devices used for accessing the Internet



Source: own work.

As shown in Figure 9, the average age at which Generation Z members started using smartphones was analyzed. From the results, we can conclude that most of them were introduced to smartphones between 2012 and 2015. Hence, some started as early as at 2 years of age.

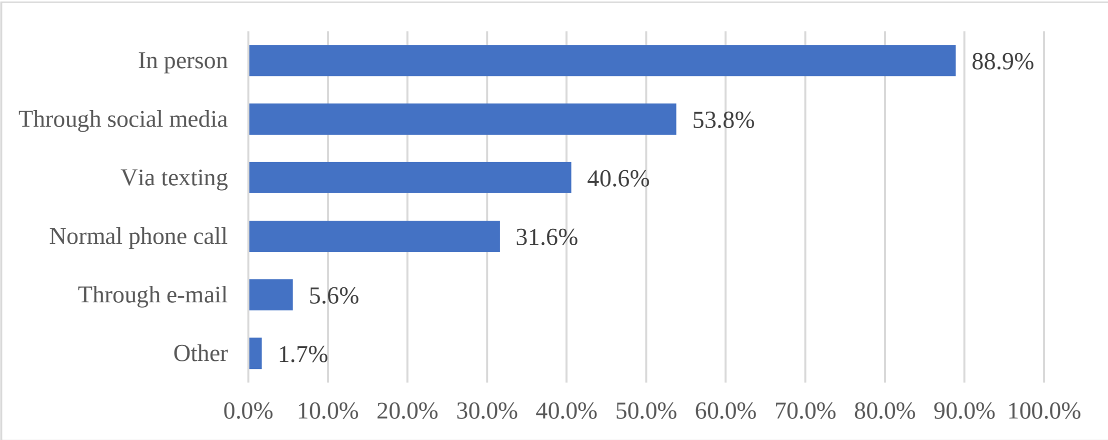
Figure 9: Beginning of smartphone usage by year



Source: own work.

An interesting result, which is presented in Figure 10, can be seen in preferred communication options. Besides communication through social media platforms, which was chosen by 53.8% of respondents, surprisingly, 88.9% of respondents prefer in-person communication.

Figure 10: Distribution of survey respondents by means of communication



Source: own work.

Respondents were asked to rank selected social media platforms according to their preference. As seen from Table 7, Instagram was ranked highest and TikTok lowest on the scale from 1 to 7.

Table 7: Social media platforms by rank

Social media platforms	**Rank**
Instagram	1
YouTube	2
Snapchat	3
Facebook	4
WhatsApp/Viber	5
Twitter	6
TikTok	7

Source: own work.

In order to gain further insights into the usage of social media platforms, the relationship between social media platforms and various activities listed below was examined. The results shown in Table 8 indicate that online shopping is mainly done through Instagram (57.7%), the most entertaining content is found on YouTube (47.9%), socializing is the most convenient on Snapchat (44.9%), research activities and obtaining information is done on

YouTube (55.1%), engaging in discussion groups and exchanging recommendations is preferred on Facebook (30.3%), and following specific brands is mainly done on Instagram (77.8%).

Table 8: The purpose of use of selected social media platforms (in %)

	Insta-gram	**YouTube**	**Facebook**	**Twitter**	**Snap-chat**	**Tik-Tok**	**WhatsApp / Viber**
Online shopping	57.7	9.8	28.6	0.4	2.1	0.0	1.3
Entertainment, fun	17.9	47.9	2.6	2.6	5.6	23.5	0.0
Communication, friendship, dating	19.7	0.4	13.7	0.9	44.9	0.4	20.1
Research, getting information	9.4	55.1	22.2	9.0	2.1	0.4	1.7
Connecting in discussion groups, exchanging recommendations	11.1	3.0	30.3	6.4	25.6	0.4	23.1
Following specific brands	77.8	6.8	8.5	3.8	1.3	0.9	0.9

Source: own work.

To get a sense of the importance of owning a branded item for Generation Z, respondents were asked to use a 5-point Likert scale from 1 "Not at all important" to 5 "Extremely important". The results shown in Table 9 indicate that, in general, they are not brand driven. Only tech/gadgets resulted slightly above "Neutral" (3) with an average of 3.28.

Table 9: Descriptive statistics for the importance of owning a branded item

	N	**Mean**	**Std. Deviation**
Clothes	234	2.79	1.09
Footwear	234	3.14	1.11
Sports equipment	234	2.77	1.17
Cosmetics	234	2.72	1.28
Tech/Gadgets	234	3.28	1.11
Toys/Games	234	2.22	1.17
Food and beverages	234	3.01	1.24
Pet supplies	234	2.48	1.29
Other	58	3.22	1.20
Valid N (listwise)	234		

Source: own work.

Further to examining whether Generation Z is brand driven, the likelihood of their engaging in certain online activities related to brands was examined. The responses were collected based on a 5-point Likert scale from 1 “Highly unlikely” to 5 “Highly likely”. Based on the results shown in Table 10, it can be concluded that Generation Z is unlikely to buy a product that was being advertised on the Internet, with a mean score of 2.86. On the other hand, they are likely to follow their preferred brands on social media, with a mean score of 3.60.

Table 10: Descriptive statistics for the likelihood of certain online activities

	N	Mean	Std. Deviation
Buy a product that was being advertised on the Internet	234	2.86	1.03
Follow your preferred brands on social media	234	3.60	1.19
Valid N (listwise)	234		

Source: own work.

Using a 5-point Likert scale from 1 “Highly unlikely” to 5 “Highly likely”, the respondents were asked to describe how likely they are to be motivated by the factors listed below. As seen in Table 11, product information has the highest mean score, meaning that respondents are motivated to connect with brands mainly to obtain insights into the products.

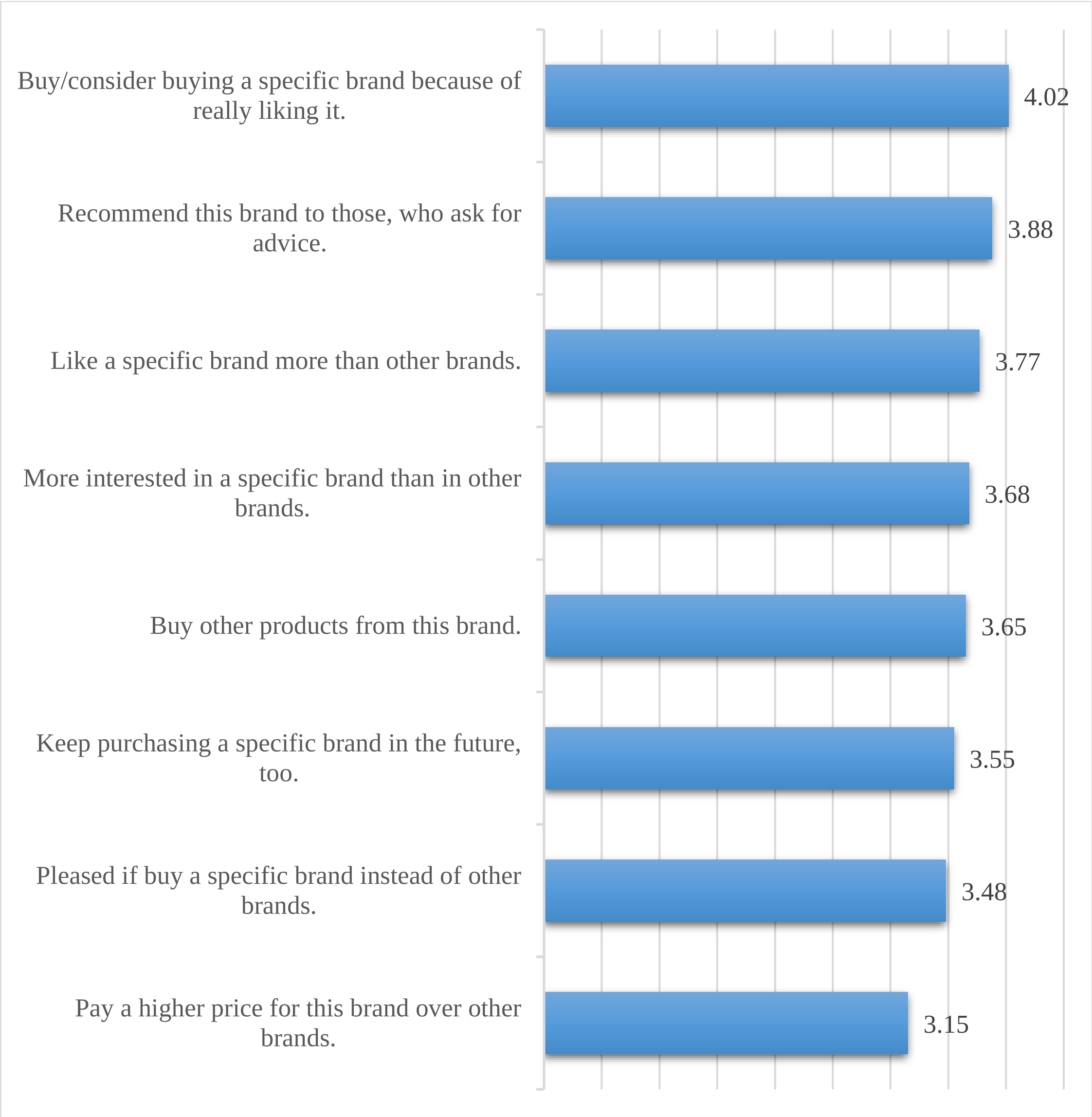
Table 11:Descriptive statistics for consumers motives for connecting with brands

	N	Mean	Std. Deviation
Entertainment	234	3.37	1.02
Brand engagement	234	3.15	0.96
Access to customer service and content	234	3.21	1.02
Product information	234	3.70	0.93
Promotions	234	3.18	1.11
Valid N (listwise)	234		

Source: own work.

The respondents were asked to describe their level of agreement or disagreement with statements regarding brand perception and brand loyalty. A 5-point Likert scale from 1 “Strongly disagree” to 5 “Strongly agree” was used for this purpose. The mean scores are presented in Figure 11. Generation Z gave the highest mean scores for most of the aspects of brand loyalty. However, they can be perceived as price sensitive, since they are not prepared to pay a higher price for a branded item compared to another one. Frequencies are included in Appendix 3.

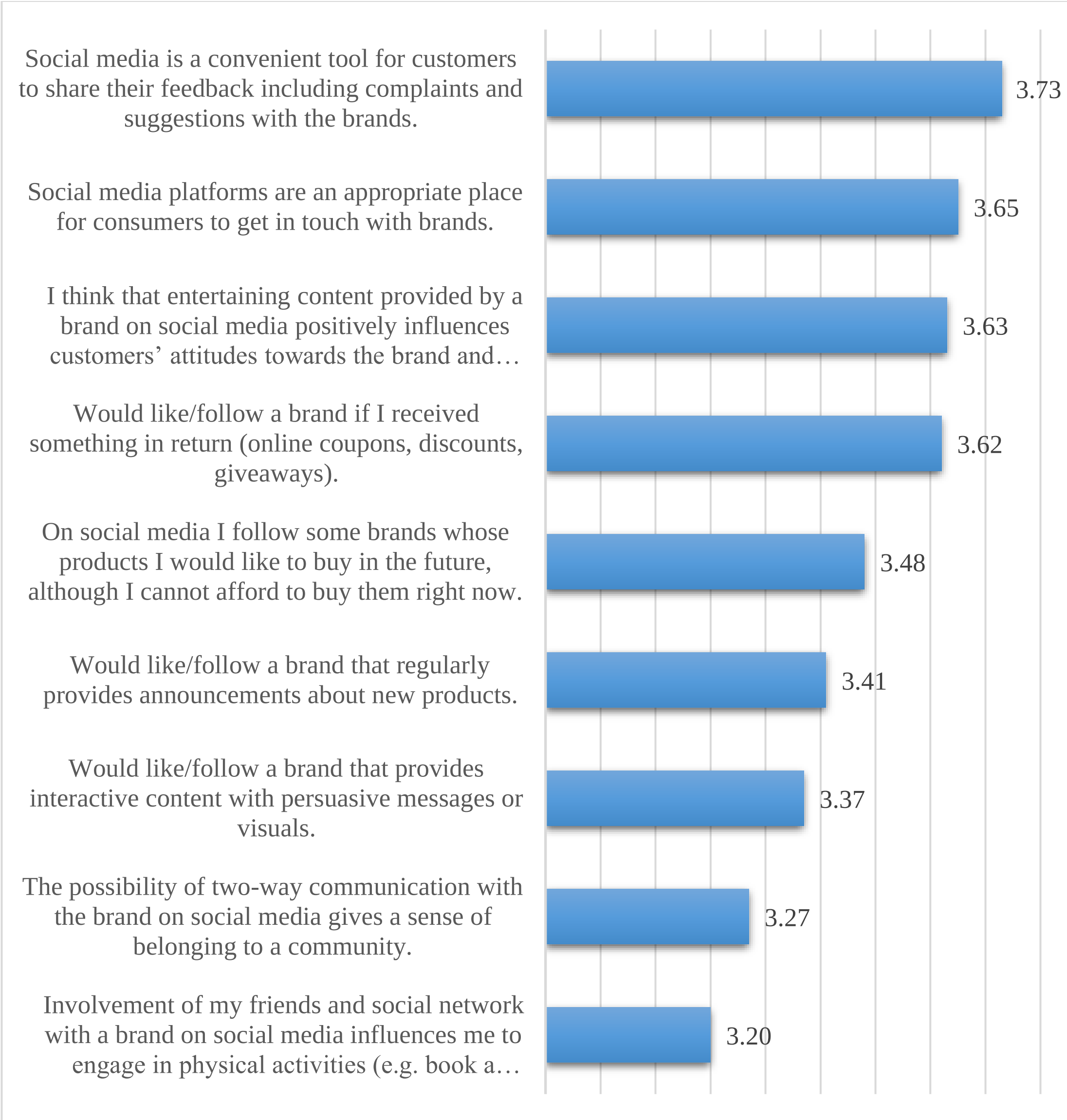
Figure 11: Descriptive statistics for selected statements on brand perception and loyalty



Source: own work.

The respondents were asked to describe their level of agreement or disagreement with statements regarding brand engagement. A 5-point Likert scale from 1 "Strongly disagree" to 5 "Strongly agree" was used for that purpose. The mean scores are presented in Figure 12. Respondents find that social media is appropriate place to get in touch with brands and share feedback/suggestions with them. Moreover, they believe that entertaining content generates higher brand loyalty and they would be motivated to engage on brands' social media, if they received something in return. Frequencies are included in Appendix 3.

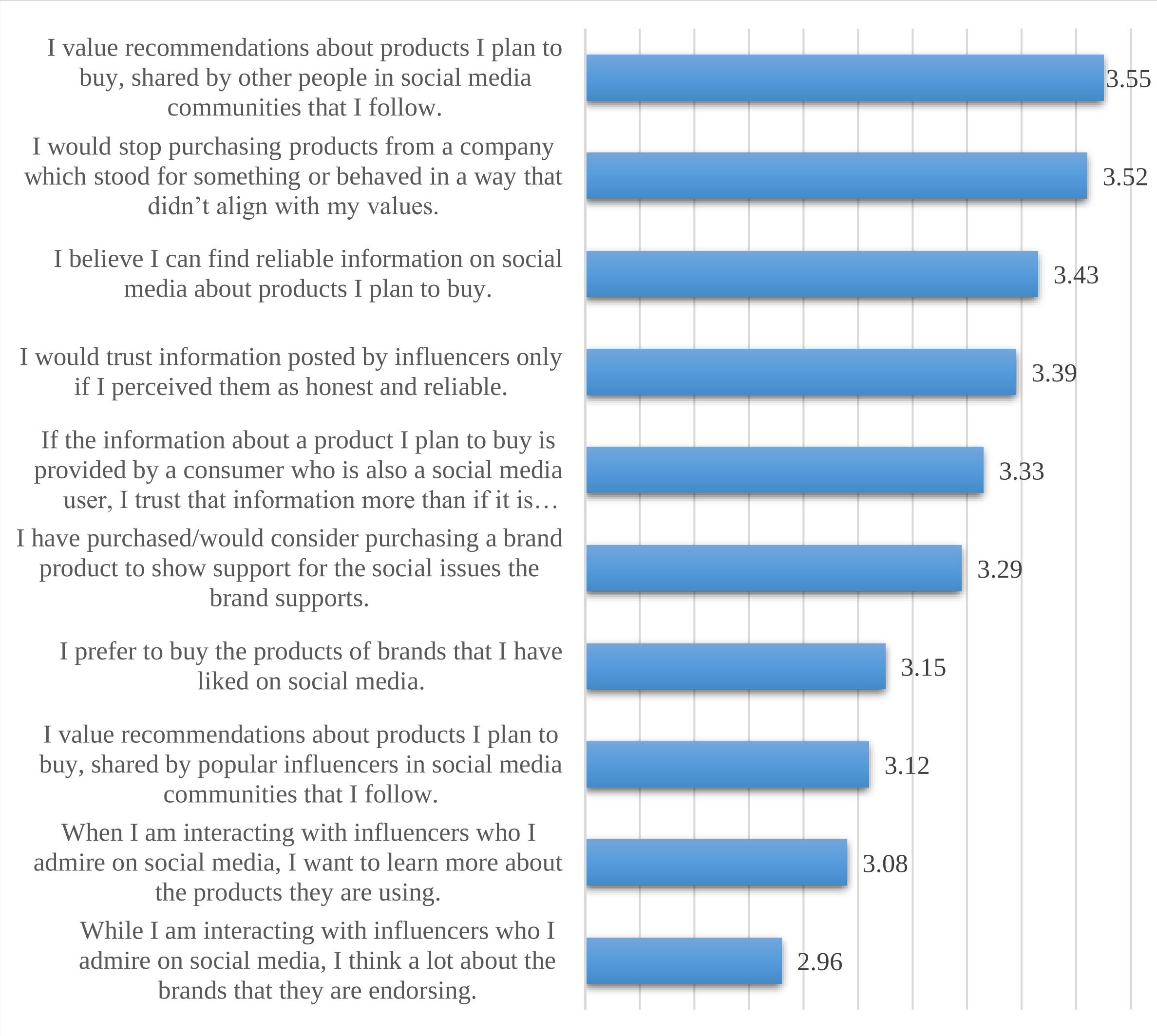
Figure 12: Descriptive statistics for selected statements on brand engagement



Source: own work.

The respondents were asked to describe their level of agreement or disagreement with the statements regarding values and advertising. A 5-point Likert scale from 1 "Strongly disagree" to 5 "Strongly agree" was used for that purpose. The mean scores are presented in Figure 13. Results show that respondents value the opinions of other consumers/social media users rather than influencers' opinions and that they would stop purchasing products from a company that supported something that was not in line with their values. Frequencies are included in Appendix 3.

Figure 13: Descriptive statistics for selected statements



Source: own work.

3.3.2 Hypothesis testing

Hypothesis 1: Brands are important to Generation Z consumers.

To test H1, Kolmogorov-Smirnov and Shapiro-Wilk tests for normality were performed first. Both outputs showed that the variables deviate significantly from normal distribution ($p < .05$), thus a non-parametric binomial test was performed next, in order to examine the p-value. Respondents were divided into two groups based on their responses on a 5-point Likert scale:

- Group 1, who do not consider owning a branded item important (those who chose responses ranging from 1 – "Not at all important", 2 "Low importance", 3 "Neutral") and

- Group 2, who consider owning a branded item important (those who chose responses 4 “High importance, 5 “Extremely important).

The results of the binomial test showed statistically significant differences between those respondents who find brands important and those who do not. Moreover, the percentage of frequencies for the category “important’” are close to 50% only in the case of tech/gadgets, with non-significant p value (p = .744>.05). As the results showed significant differences, although with the majority of values below 50%, we can conclude that brands are not important to Generation Z. With this, this hypothesis is rejected.

Table 12: Results of the binomial test

Binomial Test

		Category	N	Observed Prop.	Test Prop.	Exact Sig. (2-tailed)
Clothes	Group 1	Not important	167	0.714	0.500	0.000
	Group 2	Important	67	**0.286**		
	Total		234	1.000		
Footwear	Group 1	Not important	134	0.573	0.500	0.031
	Group 2	Important	100	**0.427**		
	Total		234	1.000		
Sports equipment	Group 1	Not important	167	0.714	0.500	0.000
	Group 2	Important	67	**0.286**		
	Total		234	1.000		
Cosmetics	Group 1	Not important	163	0.697	0.500	0.000
	Group 2	Important	71	**0.303**		
	Total		234	1.000		
Tech/Gadgets	Group 1	Not important	120	0.513	0.500	0.744
	Group 2	Important	114	**0.487**		
	Total		234	1.000		
Toys/Games	Group 1	Not important	197	0.842	0.500	0.000
	Group 2	Important	37	**0.158**		
	Total		234	1.000		
Food and beverages	Group 1	Not important	150	0.641	0.500	0.000
	Group 2	Important	84	**0.359**		
	Total		234	1.000		
Pet supplies	Group 1	Not important	177	0.756	0.500	0.000
	Group 2	Important	57	**0.244**		
	Total		234	1.000		
Other	Group 1	Not important	38	0.655	0.500	0.025
	Group 2	Important	20	**0.345**		
	Total		58	1.000		

Source: own work.

Hypothesis 2: Independent consumption of Generation Z is leading to the purchase of more branded products.

In order to test the hypothesis, respondents were firstly divided into two groups:

- Group 1 are those who more frequently (daily, often, occasionally) engage in independent consumption
- Group 2 are those who do not frequently (sometimes, rarely, never) engage in independent consumption

As shown in the table, 83.3% of respondents often engage in independent consumption.

Table 13: Frequency of engaging in actual shopping and independent consumption

	Group 1 (%)			Group 2 (%)		
	Daily	Often (3-4 times a week)	Occasionally (2-3 times per month)	Sometimes (2-3 times a year)	Rarely (less than 2 times a year)	Never
Actual shopping	9.4	28.6	45.3	13.2	2.1	1.3
Group total		83.3			16.7	

Source: own work.

In further analysis, 83.3% of the sample was considered and a one-sample t-test was carried out for the combined variable named brand preference, which was created as a second order construct and assessed with the Principal Component Analysis extraction method.

The Kaiser-Meyer-Olkin measure of sampling adequacy (.890) and the significance of Bartlett's test of sphericity ($p < .001$) confirmed the appropriateness of using factor analysis (PCA). One component was extracted, since its communality was below .40. The results of the first factor loadings are included in Appendix 4.

After extracting one component, the Kaiser-Meyer-Olkin measure of sampling adequacy (.888) and the significance of Bartlett's test of sphericity ($p < .001$) again confirmed the appropriateness of using factor analysis (PCA). All communalities were above .40; therefore, none of the components were extracted. The created component brand preference explained 57.8% of the variance. All factor loadings were above .60. Cronbach's Alpha coefficient indicates good reliability at .876. Descriptive statistics ($M = 3.55$, $SD = 0.74$) are shown in Appendix 4.

Table 14: KMO measure and Bartlett's test for brand preference

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.888
Bartlett's Test of Sphericity	Approx. Chi-Square	742.146
	df	21
	Sig.	.000

Source: own work.

Table 15: Communalities and factor loadings for brand preference

Communalities

	Initial	Extraction
I am pleased if I buy a specific brand instead of other brands.	1.000	.551
I like a specific brand more than other brands.	1.000	.688
I feel more attached to a specific brand than to other brands.	1.000	.661
I am more interested in a specific brand than in other brands.	1.000	.670
I intend to keep purchasing a specific brand in future, too.	1.000	.614
I intend to buy other products from this brand.	1.000	.424
I would be willing to pay a higher price for this brand over other brands.	1.000	.440

Extraction Method: Principal Component Analysis.

Source: own work.

Table 16: Total variance for brand preference

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.047	57.812	57.812	4.047	57.812	57.812
2	.778	11.119	68.931			
3	.611	8.729	77.660			
4	.552	7.887	85.547			
5	.401	5.735	91.282			
6	.322	4.600	95.882			
7	.288	4.118	100.000			

Extraction Method: Principal Component Analysis.

Source: own work.

Table 17: Component matrix for brand preference

Component Matrix[a]

	Component
	1
I like a specific brand more than other brands.	.829
I am more interested in a specific brand than in other brands.	.819
I feel more attached to a specific brand than to other brands.	.813
I intend to keep purchasing a specific brand in future, too.	.784
I am pleased if I buy a specific brand instead of other brands.	.742
I would be willing to pay a higher price for this brand over other brands.	.663
I intend to buy other products from this brand.	.651

Extraction Method: Principal Component Analysis.

a. 1 component extracted.

Source: own work.

T-test results revealed that there are non-significant differences between the sample-estimated population mean and the comparison population mean, with sig (2-tailed) p = .46. The brand preference mean score (M = 3.54, SD = 0.68) was slightly higher than the population mean (M = 3.5). Based on those findings the hypothesis is rejected.

Table 18: One-Sample Statistics

One-Sample Statistics

Actual shopping		N	Mean	Std. Deviation	Std. Error Mean
Daily, often and occasionally	Brand preference	195	3.54	0.68	0.05

Source: own work.

Table 19: Results of the One-Sample T-test

One-Sample Test

Actual shopping		Test Value = 3.5 t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference Lower	Upper
Daily, often and occasionally	Brand preference	.740	194	.460	.03626	-.0604	.1330

Source: own work.

Hypothesis 3: Items that Generation Z are interested in are mostly advertised on the Internet.

The t-test results of this hypothesis revealed that there are statistically significant differences between the sample-estimated population mean and the comparison population mean, with sig (2-tailed) p = .000 and mean score (M = 2.86, SD = 1.031) was lower than the population mean (M = 3.5). Unexpectedly, it can be concluded that items that Generation Z are interested in are not mostly advertised on the Internet. Therefore, the hypothesis is rejected.

Table 20: One-Sample Statistics

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Buy the product that was being advertised on the Internet	234	2.86	1.031	.067

Source: own work.

Table 21: Results of the One-Sample T-test

One-Sample Test

	Test Value = 3.5 t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference Lower	Upper
Buy the product that was being advertised on the Internet	-9.448	233	.000	-.637	-.77	-.50

Source: own work.

Hypothesis 4: Instagram and YouTube are the most appealing platforms for Generation Z.

In order to examine which social media platforms are ranked the highest among others, the rank-based weighting method was applied. The following criteria were used when assigning the weights: the highest rank (1) received the weight 7 and the lowest rank (7) received the weight 1. Percentage frequencies were multiplied by weights and the results are shown in Tables 22 and 23. Since Instagram and YouTube have the highest score, and rank first and second, the hypothesis is accepted.

Table 22: Rank-based weighting method

	%	wgt.	%	wgt.	%	wgt.	%	wgt.	%	wgt.	%	wgt.	%	wgt.
Instagram	26.5	7	24.4	6	19.2	5	9.4	4	6.8	3	6.4	2	7.3	1
YouTube	16.7	7	22.2	6	17.1	5	23.1	4	7.3	3	8.1	2	5.1	1
Facebook	9.4	7	9.4	6	15.8	5	17.5	4	21.8	3	13.7	2	12.4	1
Twitter	10.3	7	10.3	6	6.8	5	8.5	4	23.9	3	25.6	2	14.5	1
Snapchat	18.4	7	15.8	6	15.4	5	15	4	12	3	15.8	2	7.3	1
TikTok	9.8	7	8.5	6	11.1	5	15	4	11.1	3	13.7	2	30.8	1
WhatsApp/ Viber	9	7	9.4	6	14.1	5	11.5	4	16.7	3	16.7	2	22.2	1

wgt. – weight

Source: own work.

Table 23: Rank results

Social media platforms	Sum product	% of total	Rank
Instagram	506	18.09	1
YouTube	471.2	16.85	2
Snapchat	435.5	15.57	3
Facebook	376.4	13.46	4
WhatsApp/Viber	341.6	12.21	5
Twitter	339.3	12.13	6
TikTok	326.6	11.68	7

Source: own work.

Hypothesis 5: Entertaining content that is aligned with their values drives engagement of Generation Z in the social media community.

To test H5, linear regression was applied. Dependent variable customer engagement on social media was created as a second order construct and assessed with the Principal Component Analysis extraction method.

The Kaiser-Meyer-Olkin measure of sampling adequacy (.821) and the significance of Bartlett's test of sphericity ($p < .001$) confirmed the appropriateness of using factor analysis (PCA). All communalities were above .40; therefore, none of the components were extracted. The created component customer engagement on social media explained 49.2% of the variance. All factor loadings were above .60. Cronbach's Alpha coefficient indicates good reliability at .646. Descriptive statistics ($M = 3.32$, $SD = 0.71$) are shown in Appendix 4.

Table 24: KMO measure and Bartlett's test for customer engagement on social media

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.821
Bartlett's Test of Sphericity	Approx. Chi-Square	116.429
	df	6
	Sig.	.000

Source: own work.

Table 25: Communalities and factor loadings for customer engagement on social media

Communalities

	Initial	Extraction
I generally follow the brands on social media which are in line with my lifestyle and values.	1.000	.405
I would be more engaged with a brand image that corresponds to my self-image.	1.000	.551
I would be more willing to like/follow a brand that provides interactive content with persuasive messages or visuals.	1.000	.540
The possibility of two-way communication with the brand on social media gives me a sense of belonging to a community.	1.000	.471

Extraction Method: Principal Component Analysis.

Source: own work.

Table 26: Total variance for customer engagement on social media

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.967	49.176	49.176	1.967	49.176	49.176
2	.752	18.794	67.970			
3	.685	17.133	85.103			
4	.596	14.897	100.000			

Extraction Method: Principal Component Analysis.

Source: own work.

Table 27: Component matrix for customer engagement on social media

Component Matrix[a]

	Component 1
I would be more engaged with a brand image that corresponds to my self-image.	.742
I would be more willing to like/follow a brand that provides interactive content with persuasive messages or visuals.	.735
The possibility of two-way communication with a brand on social media gives me a sense of belonging to a community.	.686
I generally follow the brands on social media which are in line with my lifestyle and values.	.636

Extraction Method: Principal Component Analysis.

Source: own work.

Entertainment and engagement drivers were employed as independent variables. As shown in Table 28, the linear regression revealed that the entertainment and engagement drivers are significant predictors of customer engagement and share 11.1% of the variance in the customer engagement score. This further means that 88.9% of the variability in customer engagement is accounted for by other factors.

The reliability of the regression model was tested with the F-test, which showed that the observed R square is reliable ($p < .001$). The output was shown in Table 29.

The independent variables of entertainment and engagement drivers have a statistically significant effect on customer engagement on social media, which means that customer engagement can be predicted with statistical significance ($b = .173$, $p < .000$; $b = .243$, $p < .001$) with those predictors. The regression constant is statistically significantly different from 0.

The findings support the hypothesized relationship. Thus, the hypothesis is accepted.

Table 28: Linear Regression model summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,344[a]	.118	.111	.70644

a. Predictors: (Constant), Engagement drivers, Entertainment

b. Dependent Variable: Customer engagement on social media

Source: own work.

Table 29: Linear Regression ANOVA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.444	2	7.722	15.473	,000[b]
	Residual	115.282	231	.499		
	Total	130.726	233			

a. Dependent Variable: Customer engagement on social media

b. Predictors: (Constant), Engagement drivers, Entertainment

Source: own work.

Table 30: Results of Linear Regression

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1.847	.282		6.549	.000
	Entertainment	.173	.046	.235	3.739	.000
	Engagement drivers	.243	.071	.214	3.407	.001

a. Dependent Variable: Customer engagement on social media

Source: own work.

Hypothesis 6: User engagement/experience in a social media community generates greater brand loyalty.

The one-sample t-test was employed for a combined variable named user engagement, which was created as a second order construct and assessed with the Principal Component Analysis extraction method.

The Kaiser-Meyer-Olkin measure of sampling adequacy (.769) and the significance of Bartlett's test of sphericity ($p < .001$) confirmed the appropriateness of using factor analysis (PCA). One component was extracted, since its communality was below .40. The results of the first factor loadings are included in Appendix 4.

After extracting one component, the Kaiser-Meyer-Olkin measure of sampling adequacy (.733) and the significance of Bartlett's test of sphericity ($p < .001$) again confirmed the appropriateness of using factor analysis (PCA). All communalities were above .40; therefore, none of the components were extracted. The created component user engagement explained 56.6% of the variance. All factor loadings were above .60. Cronbach's Alpha coefficient indicates good reliability at .743. Descriptive statistics ($M = 3.25$, $SD = 0.80$) are shown in Appendix 4.

Table 31: KMO measure and Bartlett's test for user engagement

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.733
Bartlett's Test of Sphericity	Approx. Chi-Square	210.441
	df	6
	Sig.	.000

Source: own work.

Table 32: Communalities and factor loadings for user engagement

Communalities

	Initial	Extraction
On social media I follow some brands whose products I would like to buy in the future, although I cannot afford to buy them right now.	1.000	.651
I follow the brands on social media which I consume and/or purchase often.	1.000	.649
Involvement of my friends and social network with a brand on social media influences me to engage in physical activities (e.g. book a holiday, buy product).	1.000	.530
I prefer to buy the products of brands that I have liked on social media.	1.000	.433

Extraction Method: Principal Component Analysis.

Source: own work.

Table 33: Total variance for user engagement

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.264	56.600	56.600	2.264	56.600	56.600
2	.724	18.101	74.701			
3	.610	15.255	89.956			
4	.402	10.044	100.000			

Extraction Method: Principal Component Analysis.

Source: own work.

Table 34: Component matrix for user engagement

Component Matrix[a]

	Component
	1
On social media I follow some brands whose products I would like to buy in the future, although I cannot afford to buy them right now.	.807
I follow the brands on social media which I consume and/or purchase often.	.806
Involvement of my friends and social network with a brand on social media influences me to engage in physical activities (e.g. book a holiday, buy product).	.728
I prefer to buy the products of brands that I have liked on social media.	.658

Extraction Method: Principal Component Analysis.

a. 1 component extracted.

Source: own work.

The t-test results revealed that there are statistically significant differences between the sample-estimated population mean and the comparison population mean, with sig (2-tailed) $p = .000$, and user engagement mean score ($M = 3.25$, $SD = 0.80$) was lower than the population mean ($M = 3.5$). It can be concluded that user engagement in social media community does not generate greater brand loyalty. Consequently, the hypothesis is rejected.

Table 35: One-Sample Statistics

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
User engagement	234	3.25	0.80	0.05

Source: own work.

Table 36: Results of the One-Sample T-test

One-Sample Test

	Test Value = 3.5					
					95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
User engagement	-4.749	233	.000	-.24893	-.3522	-.1457

Source: own work.

Hypothesis 7: Influencers are the best tool for promoting products to Generation Z.

The one-sample t-test was employed for a combined variable named influencer marketing, which was created as a second order construct and assessed with the Principal Component Analysis extraction method.

The Kaiser-Meyer-Olkin measure of sampling adequacy (.734) and the significance of Bartlett's test of sphericity ($p < .001$) confirmed the appropriateness of using factor analysis (PCA). Two components were extracted, since their communality was below .40. The results of the first factor loadings are included in Appendix 4.

After extracting one component, the Kaiser-Meyer-Olkin measure of sampling adequacy (.730) and the significance of Bartlett's test of sphericity ($p < .001$) again confirmed the appropriateness of using factor analysis (PCA). All communalities were above .40; therefore, none of the components were extracted. The created component influencer marketing explained 61.0% of the variance. All factor loadings were above .60. Cronbach's Alpha coefficient indicates good reliability at .783. Descriptive statistics ($M = 3.0$, $SD = 0.83$) are shown in Appendix 4.

Table 37: KMO measure and Bartlett's test for influencer marketing

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.730
Bartlett's Test of Sphericity	Approx. Chi-Square	292.593
	df	6
	Sig.	.000

Source: own work.

Table 38: Communalities and factor loadings for influencer marketing

Communalities

	Initial	Extraction
I value recommendations about the products I plan to buy, shared by popular influencers in social media communities that I follow.	1.000	.538
While I am interacting with the influencers who I admire on social media, I think a lot about the brands that they are endorsing.	1.000	.677
When I am interacting with the influencers who I admire on social media, I want to learn more about the products they are using.	1.000	.746
I would click on the links in sponsored posts if shared by the influencers I admire.	1.000	.481

Extraction Method: Principal Component Analysis.

Source: own work.

Table 39: Total variance for influencer marketing

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.441	61.032	61.032	2.441	61.032	61.032
2	.692	17.293	78.325			
3	.579	14.479	92.804			
4	.288	7.196	100.000			

Extraction Method: Principal Component Analysis.

Source: own work.

Table 40: Component matrix for influencer marketing

Component Matrix[a]

	Component
	1
When I am interacting with the influencers who I admire on social media, I want to learn more about the products they are using.	.864
While I am interacting with the influencers who I admire on social media, I think a lot about the brands that they are endorsing.	.823
I value recommendations about the products I plan to buy, shared by popular influencers in social media communities that I follow.	.733
I would click on the links in sponsored posts if shared by the influencers I admire.	.693

Extraction Method: Principal Component Analysis.
a. 1 component extracted.

Source: own work.

The t-test results revealed that there are statistically significant differences between the sample-estimated population mean and the comparison population mean, with sig (2-tailed) $p = .00$, and the user engagement mean score ($M = 3.12$, $SD = 0.81$) was lower than the population mean ($M = 3.5$). It can be concluded that influencers are not the best tool for promoting products to Generation Z. Consequently, the hypothesis is rejected.

Table 41: One-Sample Statistics

One-Sample Statistics

Promotions		N	Mean	Std. Deviation	Std. Error Mean
Group 4, 5	Influencer marketing	93	3.12	0.81	0.08

Source: own work.

Table 42: Results of the One-Sample T-test

One-Sample Test

		Test Value = 3.5					
						95% Confidence Interval of the Difference	
Promotions		t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
Group 4, 5	Influencer marketing	-4.593	92	.000	-.38441	-.5506	-.2182

Source: own work.

4 DISCUSSION

The purpose of this chapter is to achieve the primary objective of this thesis by examining how the empirical results coincide with the theory and providing the implications for future researchers and practitioners. Firstly, the empirical results are discussed through comparison with existing research. Secondly, the limitations of this research are acknowledged. Lastly, several valuable implications are captured from the empirical results.

4.1 Discussion of the empirical results

The objective of the thesis was to examine and understand how Generation Z consumers perceive brands, in order to develop implications and contribute to the marketing theory and practice to succeed in making brands matter to this generation. Seven hypotheses were developed to achieve this objective. Table 43 summarizes the results of the hypothesis testing. The findings of the hypothesis testing will be further discussed.

Table 43: Summary of the hypothesis testing

	Hypothesis	Status
Hypothesis 1	Brands are important to Generation Z consumers.	**REJECTED**
Hypothesis 2	The independent consumption of Generation Z is leading to the purchase of more branded products.	**REJECTED**
Hypothesis 3	Items that Generation Z are interested in are mostly advertised on the Internet.	**REJECTED**
Hypothesis 4	Instagram and YouTube are the most appealing platforms for Generation Z.	**ACCEPTED**
Hypothesis 5	Entertaining content that aligns with their values drives the engagement of Generation Z in a social media community.	**ACCEPTED**
Hypothesis 6	User engagement/experience in a social media community generates greater brand loyalty.	**REJECTED**
Hypothesis 7	Influencers are the best tool for promoting products to Generation Z.	**REJECTED**

Source: own work.

Hypothesis 1, which stated that brands are important to Generation Z, was rejected due to the results of the binomial test, which revealed that the percentages of the frequencies are close to 50% only for tech/gadgets products. Although marketing theory (Lindstrom, 2003; Quart, 2003) suggests that the early years are the period of development of a consumer's brand loyalty and that owning a branded item are important at that age, the results of this research show the opposite. Brands are not important to Generation Z. Research that supports this result also exists. Namely, Francis & Hoefel (2018) pointed out the preference of Generation Z for experiences rather than brands, while a report (CrowdTwist) showed that they are price driven rather than brand driven. As they are a gadget-loving generation, who are embracing all the technological advancements, it is understandable that these are the only items that were close to a significant result. Results of the hypothesis testing could be explained by minor respondents, who might not be able to consciously claim that branded items are important to them, despite possibly being aware of the available alternatives.

The hypothesized relationship under H2 was rejected. Independent consumption of Generation Z is not leading to the purchase of more branded products. The first part of the hypothesis showed that 83.3% of the respondents frequently engage in independent purchasing. This finding is consistent with previous research and theory (Solomon, Bamossy, Askegaard, & Hogg, 2006), which stated that independent purchases can start early on in the childhood years, and prior to independent purchasing, they already exert a significant influence on family consumption through requests, selections, and assisted purchases. It is important to point out that once they begin purchasing independently, they are looking for brands that contribute to addressing global issues and embrace the greater good (Francis & Hoefel, 2018; Sparks & Honey, 2015).

Interesting results concern the advertisement of products which Generation Z are interested in. In contrast with our hypothesis and previous research, the results showed that items which Generation Z are interested in are mostly advertised on the Internet. Surprisingly, this hypothesis was rejected despite the theory that supports this notion that the Internet has enabled more exposure than ever before and that it is a useful communication tool which enables more interactivity and personalization than traditional media (Goldsmith, 2016, pp. 4, 100). This also contradicts other results of this research, which showed that more than 70% of the respondents are using the Internet between 2 and 7 hours per day, follow the brands on social media, and engage in online shopping activities. The reason for such results may be related to the fact that the question was not interpreted correctly. Moreover, another possible answer would be that consumers have started ignoring advertisements due to the countless media messages that they encounter. Also, parents are more and more involved in limiting the use of the Internet and content that they find inappropriate for their children.

Hypothesis 4, which examined whether Instagram and YouTube are the most appealing platforms for Generation Z, was accepted. Various reports and opinions are available; however, considering the constantly evolving social media, the result should be considered as their current preference. Instagram enables users to edit and share pictures, videos, and stories, which disappear after 24 hours. Instagram has reached 1 billion active users worldwide, thereby providing a large pool of potential consumers. It generates high levels of user engagement through attractive features, among which short messages, visuals, and entertaining content are identified by respondents of this study. Many companies have already successfully introduced Instagram marketing. (Clement, 2019a). YouTube is the biggest online video platform globally, with more than 500 hours of corporate and user-generated content being updated every minute. Its engaging videos and streaming service are especially appealing to Generation Z. Its potential has been recognized by marketers, who are increasingly choosing this option for advertising their products and services (Clement, 2020c). Further insights were obtained from the research about the purpose of using selected social media platforms. Marketers can benefit from those insights by choosing the right media for maximizing communication efficiency. Namely, Instagram is mostly used for following brands and online shopping, while YouTube is used for research and obtaining information and entertainment. Marketers must align the messages according to the platform they are aiming to use (Kim, Spiller, & Hettche, 2015).

The results of Hypothesis 5 indicate a significant relationship between entertaining content and content that aligns with the values of Generation Z with their engagement in a social media community. Identified engagement drivers are consistent with previous research and theory. Notably, brands should understand and reflect consumers' values in order to be accepted and get their interest (Solomon, Bamossy, Askegaard, & Hogg, 2006, pp. 15, 113; Ahmad & Omar, 2017; Facebook, 2019).

User engagement/experience in a social media community is insufficient for building brand loyalty. The result of Hypothesis 6 is in contrast with marketing theory (Solomon, Bamossy, Askegaard, & Hogg, 2006, p. 13) which stresses the importance of relationship building which can be achieved by keeping in touch with customers regularly and by giving them reasons to engage in social media communities, as they believe that it generates brand loyalty over time. Marketers, especially, are interested in attracting young people, who are still in the stage of life when brand loyalty is being developed, as such brand loyalty is their competitive advantage, which the companies can benefit from in the years to come (Solomon, Bamossy, Askegaard, & Hogg, 2006, pp. 287, 289; Goldsmith, 2016, p. 220). Moreover, the result of the hypothesis is inconsistent with the theory, which showed that customers' engagement in social media is challenging to achieve (Rothman, 2014). However, it can influence their purchasing intention or behaviour (Chan, Lu, & Wang, 2017) and is likely to generate greater brand loyalty (Strategic Direction, 2015). Another view that could be the reason for this result is that they are willing to engage with brands when it comes to bigger issues which they are concerned about, and greater impacts which could also generate their loyalty (Hassekiel, 2018; Zheng, Cheung, Lee, & Liang, 2015).

Interestingly, influencers are not considered the best tool for promoting products based on the opinions of Generation Z obtained through this study. This was also confirmed by prior research (De Veirman, Hudders, & Cauberghe, 2017) which showed the negative impact of promotional activities by popular influencers on brand attitudes. Although influencers are considered competent and they have access to product information, social media currently abounds with them, resulting in information overload and defence mechanisms created by consumers in order to avoid them. Namely, the volume of brand-sponsored influencer posts on social media is projected to 6.12 million posts in 2020 (Clement, 2019b). An issue that is already visible on the market has been noted in research (Pophal, 2016), which showed that there is a potential for negative brand impact when consumers start suspecting that influencers endorsements are incentivized rather than founded on their honest opinion (Mutum, Ghazali, Asraf Mohd-Any, & Nguyen, 2018). In order to be done properly, thorough research should be done prior to investing in influencer marketing (Beller Diesel, 2018).

4.2 Limitations

Notwithstanding the useful insights that were captured, there are limitations of this research to be acknowledged.

Considering generational theory, various opinions for defining the generational span exist, so overlaps in results can occur, especially when comparing the end year of one generational cohort and the start year of the next generational cohort. Moreover, as half of the respondents are minors, parental/guardian guidance through the survey was advised. Parental support and the lack of self-awareness of young respondents should be considered, to some extent, as bias in the sample. Qualitative methods could provide the opportunity to obtain a deeper understanding of Generation Z attitudes towards brands and their use of social media and thereby avoid this bias. On the other hand, the short attention span of Generation Z will be an everlasting challenge in engaging them to obtain data, regardless of the method.

Data collection was limited to a specific period during the Covid-19 pandemic and global closure of educational institutions, which represented a challenge in obtaining a larger sample of respondents. Thus, it would be interesting to see the results of an even larger sample to reflect more comprehensive attitudes. Slovene schools were willing to share the link on their virtual learning platforms, so Slovene students represent the greater part of the sample. Since the survey was conducted in English, the level of language proficiency could be a potential barrier for the results.

The nature of the topic means that there could be a discrepancy with the newer research studies, as findings are limited to the current state of the technology and selected social media platforms. Due to the ever-evolving topic, the results are subject to change of the technologies and development of new social media platforms in the future.

The limitations mentioned above should be taken into account when interpreting the results of this research.

4.3 Implications for further research

Based on the findings of this thesis, we can draw several theoretical and managerial contributions to the marketing field.

4.3.1 Theoretical implications

The findings can be applied to marketing theory and behavioural science since this research empirically investigates the brand perception of Generation Z and contributes to a thorough understanding of their behaviour and communication preferences, as well as online activity. Although numerous statistical reports that examine characteristics of Generation Z exist, studies that would empirically verify those characteristics are limited. In particular, this is because half of Generation Z are still minors, which requires parental permission to collect the data, or their guidance while answering. Based on the results, we can conclude that, in general, brands are not important for Generation Z. The results of this research prove the importance of an online presence, particularly on social media, to reach this audience and get their opinions on various topics. This can also be applied to a younger audience, since some of the respondents in this study claimed to have started using smartphones in early childhood, at the age of 2. Although it was expected that Generation Z prefers online media tools for communication, a significant number of respondents still value personal communication. While earlier studies have often been investigating entertaining content and values separately in relation to their impact on customer engagement in social media, this study shows a significant relationship between them. Consequently, those two aspects should be jointly considered when addressing customer engagement.

To conclude, this study empirically verifies the argument that Generation Z is highly value-driven; thus, it could be used as a basis for any research connected to this age cohort. Future marketing studies will be able to use the findings to explore brand perceptions for specific industries or markets, as well as to adapt this approach in investigating the upcoming generation, already identified as the Alpha Generation.

4.3.2 Managerial implications

Several practical implications could be drawn based on the findings of this research. From a managerial point of view, it should be acknowledged that they would need to adopt new strategies in order to earn the loyalty of Generation Z consumers. Managers are currently facing the challenge of how to develop a company strategy while incorporating ethics and corporate social responsibility into it (Costa, 2019). This research empirically supports the notion that Generation Z is value-driven when it comes to purchasing decisions. Notably, they would consider buying the products and services of a brand that supports social issues they are concerned about or, even more importantly, they would switch to alternatives if the company or brand acted in conflict with what they stand for. To maintain loyalty in such conditions, managers need to allocate resources for engagement in global initiatives and embrace ethical impacts. This can result in improved competitiveness while simultaneously contributing to socio-economic conditions in the communities where they operate (Costa, 2019).

Moreover, the findings of this thesis empirically confirm arguments that are critical for marketing success. Generation Z customers follow the social media activity of brands whose products and services they intend to buy in the future, in order to receive regular announcements about new items. They believe that social media is the right place for obtaining reliable information about products and services, so they search for it before making a purchase online or in a store. It has been confirmed that they purchase products online. From a managerial point of view, this should be considered when evaluating business investment decisions. The results of this thesis also provide evidence that Generation Z consumers use social media to share feedback, including suggestions and complaints. Thus, managers should think about appointing customer service representatives, who will actively handle this feedback, in order to build strong brand preference among active customers and timely identify and manage those who are dissatisfied.

Furthermore, managers should be careful when developing strategies, as consumers are more aware of persuasive techniques that have been used on the Internet (Alba, 2011). Importantly, as per the research results, it has been shown that Generation Z consumers are more price sensitive. To persuade them to choose the brand in such conditions, managers need to satisfy their need for getting the right information about the products and services and find a way to inform them about the company’s socially responsible actions, based on which they will be able to decide. The key implication for managers is that social media marketing is an opportunity to capture a strong revenue potential. Thus, they need to attract a good marketing team.

Finally, from a marketer’s point of view, there are several implications of this research to be acknowledged. The results showed that brands are not important for Generation Z. Moreover, the research provides specific insights showing the notable influence of its target audience on family consumption and purchasing decisions. Marketers should consider those findings when developing their strategies for this target audience. Social media enables access to an enormous consumer audience and remains the most important tool for connecting with this generation. The study confirms this argument empirically. It showed that the Internet is widely used throughout the day (2-4 and 5-7 hours) and that smartphones attract their attention early on in childhood (from the age of 2+). Besides smartphones, they are using personal computers to access the Internet. Instagram and YouTube should be considered valuable social media marketing tools for reaching Generation Z and achieving a high user engagement rate, as they prefer these two platforms. Furthermore, this research deepens the understanding of the purpose of social media platforms use, which can help marketers to adjust their content based on what they are trying to achieve. Specifically, online shopping is mostly done through Instagram, entertainment through YouTube, socializing through Snapchat, research through YouTube, recommendation exchange through Facebook, and following brands through Instagram. As previously mentioned, social media is perceived as a good place for exchanging recommendations and getting in touch with brands. Besides social media communication, it was shown that Generation Z also values personal communication. Marketers should consider dedicating space for recommendations in their social media profiles. The main motive for Generation Z's engagement in social media communities is searching for product/service information. Therefore, their decision is often influenced by recommendations of other social media users. They are also willing to recommend the products that they like. Another motive for engaging in brands' social media are incentives (online coupons, discounts, giveaways). Furthermore, this study deepens the understanding of Generation Z's perception of influencers. Namely, they do follow influencers and think about the products and services they are endorsing; however, the results have shown that Generation Z gives more weight to recommendations from other social media users, rather than influencers. An empirical contribution to the theory stating that influencers could reduce trust in both the product and the brand (Alba, 2011) is confirmed. There are examples of respondents who would not trust influencers, even if they perceived them as reliable. This showed that Generation Z consumers are becoming more sceptical and overwhelmed due to the numerous influencers endorsing companies' products and services. Notwithstanding those notions, being influenced is an unconscious process, meaning that it can still be concluded that influencers affect consumers behaviour. However, marketers need to be careful when adopting the influencer marketing technique, as it could negatively impact brand attitudes. Most importantly, Generation Z expect brands to be socially responsible, to address environmental issues, and make high impact contributions to our society. Thus, in order to make brands matter to Generation Z, companies need to engage in global initiatives that these young people care about, as well as demonstrate deeper purpose of their existance and authentic brand communication.

To conclude this chapter, considering the growing audience on social media and age distribution towards younger users, researchers, managers, and marketers should include social media as a research/marketing tool and are recommended to use strategies that are agile, customizable, and ready for the momentum (Hughes, 2018).

CONCLUSION

The year 2020 has brought a new generation of consumers, named Generation Z, into the marketing spotlight. Being the largest group of consumers in the market, with the significant spending power and high influence on family consumption, makes them worth targeting.

The approach in generational theory, which is based on years of birth, has been conceptualized in modern empirical studies in a number of ways and several analytical frames exist for studying generational issues. However, most of them proceed from the study contributions pioneered in sociology by Karl Mannheim in 1927 (Alanen, 2009, pp. 159-174). Among researchers and scholars, there are slightly different opinions on generational spans. For the purpose of this thesis, the age bracket for Generation Z were assumed as defined by McCrindle (2014), from 1995 to 2010. Considering their birth years, they are the first generation that didn't experience the world without Internet, meaning that they were growing up constantly exposed to the flow of digital information, which has greatly influenced every aspect of their lives (Dingli & Seychell, 2015). Technology could be perceived as their sixth sense (Randstad, 2017), which is enabling them effortless multi-tasking on up to 5 screens simultaneously (Skinner, Sarpong, & White, 2018). Similar patterns in their habits considering culture, preferences and trends can be noticed around the globe (Törőcsik, Szűcs, & Kehl, 2014). It is essential to mention how aware they are of global issues (Austin, Dellaway, Kuhn, & Spitz, 2018), and how determined they are in addressing topics such as sustainability, human rights, inclusion, diversity, and avoidance of labels (Francis & Hoefel, 2018).

This thesis focuses on examining and understanding how this new generation of consumers perceive brands in order to contribute to marketing theory and practice to successfully address branding strategies for Generation Z. The findings of this thesis supported the fact, that marketers need to familiarize themselves with this new generation and adjust their marketing strategies, as this Generation Z has become very different from generations known before. Moreover, as this is becoming one of the objectives that many marketers are eager to achieve, reaching Generation Z is expected to be demanding task (Solomon, Bamossy, Askegaard, & Hogg, 2006). The findings of this thesis empirically confirm arguments that are critical for marketing success. Namely, this research proves the importance of an online presence, particularly on social media, to reach this audience. Since Instagram and YouTube are the most appealing for Generation Z, it is advised that brands focus their communication on those social media platforms. It is important noticing, that the main motive for Generation Z's engagement in social media communities is searching for product/service information, as well as experiences and feedbacks of other social media users in their communities. Hence, encouraging discussions in social media communities is considered beneficial for brands. With the rise of influencers, there is a noted decrease in trust and increase of scepticism about reliability of their endorsements. Therefore, using the influencers as a marketing technique should be carefully considered, as it could negatively impact brand attitudes. The highlight of this study is empirically verified argument that Generation Z is highly value-driven and that usual marketing tactics are not applicable enough to meet their expectations. Their engagement could only be achieved through entertaining content, which is in line with their values.

Generation Z wants to change the world, is socially responsible, has an early interest in environmental issues, and desires to make high impact contributions to our society. Moreover, they expect the same from the brands. Thus, besides building their online marketing presence in order to increase brand awareness, companies need to engage in global initiatives that these young people care about, show deeper purpose of their existence and embrace ethics, transparency, and authenticity. This can result in successfully making brands matter to Generation Z, while simultaneously contributing to socio-economic conditions in the communities where they operate (Costa, 2019). To conclude, since Generation Z is still in phase when their brand preferences are being developed, this topic should be further examined and carefully considered by marketers, in order to be able to reach this target generation and make brands appealing to them.

REFERENCES

1. Ahmad, S. N., & Omar, A. (2017). Generation Z: Can personal values influence their intention to purchase natural beauty products? *International Journal of Innovation in Social Sciences, 2*(1).
2. Alanen, L. (2009). *The Palgrave Handbook of Childhood Studies, Chapter Generational Order.* London: Palgrave Macmillan.
3. Alba, J. (2011). *Consumer Insights: Findings from Behavioral Research.* Marketing Science Institute.
4. Arslan, E. (2017). The Effect of Social Media on Marketing. *International Journal Of Eurasia Social Sciences*.
5. Austin, Y., Dellaway, J., Kuhn, W., & Spitz, K. (2018). *Mind the Gap: Communicating Through the Ages.* NTT DATA, Inc.
6. Barnes, N., Mazzola, A., & Killeen, M. (2020). *Oversaturation & Disengagement: The 2019 Fortune 500 Social Media Dance.* Dartmouth, Massachusetts: Center for Marketing Research. Retrieved February 20, 2020, from https://www.umassd.edu/cmr/research/2019-fortune-500.html
7. Beller Diesel, C. (2018, January 5). Clay Culture: Influencer Marketing. Retrieved April 14, 2020, from https://ceramicartsnetwork.org/ceramics-monthly/ceramic-art-and-artists/ceramic-artists/clay-culture-influencer-marketing/
8. Ben-Shabat, H., Brown, M., & Portell, G. (2017). *Revolution: Influence vs. Affluence A.T. Kearney Consumers@250 Study.* A.T. Kearney analysis.
9. Bergh, J. V., & Behrer, M. (2016). *How Cool Brands Stay Hot: Branding to Generations Y and Z.* Kogan Page Limited.
10. Bobalca, C., Gatej, C., & Ciobanu, O. (2012). Developing a scale to measure customer loyalty. *Procedia Economics and Finance, 3*, 623-628.
11. Booth, N., & Matic, J. A. (2011). Mapping and leveraging influencers in social media to shape corporate brand perceptions. *Corporate Communications: An International Journal, 16*(3), 184-191.
12. Boyd, D., & Ellison, N. (2007). Social Network Sites: Definition, History, and Scholarship. *Journal of Computer-Mediated Communication, 13*(1), 210-230.
13. Budac, C. A. (2014). Strategic Consideration on how Brands Should Deal with Generation Z. *Revista Economica*, *66*(5).
14. Cardador, J., Fromm, J., & Read, A. (2018). *The Power of Gen Z Influence: How the Pivotal Generation is Affecting Market Spend.* Barkley, Inc.

15. Chan, A., Lu, Y., & Wang, B. (2017). Customers' purchase decision-making process in social commerce: A social learning perspective. *International Journal of Information Management, 37*(6), 627-638.
16. Chatzisarantis, N., Hagger, M., Wang, J., & Thøgersen-Ntoumani, C. (2009). The effects of social identity and perceived autonomy support on health behaviour within the theory of planned behaviour. *Current Psychology, 28*, 55-68.
17. Clement, J. (2019a, March 8). Instagram - Statistics & Facts. *Statista*. Retrieved May 7, 2020, from https://www.statista.com/topics/1882/instagram/
18. Clement, J. (2019b, April 11). Number of brand sponsored influencer posts on Instagram from 2016 to 2020. *Statista*. Retrieved May 7, 2020, from https://www.statista.com/statistics/693775/instagram-sponsored-influencer-content/
19. Clement, J. (2020a, April 24). Global digital population as of April 2020. *Statista*. Retrieved April 25, 2020, from https://www.statista.com/statistics/617136/digital-population-worldwide/
20. Clement, J. (2020b, April 24). Most popular social networks worldwide as of April 2020, ranked by number of active users. *Statista*. Retrieved April 25, 2020, from https://www.statista.com/statistics/272014/global-social-networks-ranked-by-number-of-users/
21. Clement, J. (2020c, April 8). YouTube - Statistics & Facts. *Statista*. Retrieved May 7, 2020, from https://www.statista.com/topics/2019/youtube/
22. Cogin, J. (2012). Are generational differences in work values fact or fiction? Multi-country evidence and implications. *The International Journal of Human Resource Management, 23*(11), 2268-2294.
23. Costa, G. (2019, Mar 13). Corporate Social Responsibility, Purpose Brands and Gen-Z. *Forbes*. Retrieved May 7, 2020, from https://www.forbes.com/sites/esade/2019/03/13/csr-purpose-brands-and-gen-z/#1b3be5251584
24. CrowdTwist. (n.d.). Gen Z vs. Millennials: The changing lanscape of loyalty. Retrieved April 15, 2020, from http://media.dmnews.com/documents/318/generation-z-vs-millennials-th_79333.pdf
25. De Veirman, M., Hudders, L., & Cauberghe, V. (2017, July). Marketing through Instagram influencers: the impact of number of followers and product divergence on brand attitude. *International Journal of Advertising* , *36*(1), 1-31.
26. Dessart, L., Veloutsou, C., & Morgan-Thomas, A. (2015). Consumer engagement in online brand communities: a social media perspective. *Journal of Product & Brand Management, 24*(1), 28-42.
27. Dewanti, P., & Eko Indrajit, R. (2018). The effect of XYZ Generation characteristics to e-commerce c-to-c: A review. *Ikraith-infomratika, 2*(2), 56-60.
28. Dingli, A., & Seychell, D. (2015). Who Are the Digital Natives? In *The New Digital Natives* (pp. 9-22). Berlin: Springer.
29. Emerald. (2015). How social media aids consumer engagement: The value of an online brand community. *Strategic Direction, 31*(6), 21-23.
30. Emerald. (2016). Social media as the path to a marketing strategy: Companies must become "curators" to meet the challenge. *Strategic Direction, 32*(2), 20-22.
31. Enginkaya, E., & Yılmaz, H. (2014). What drives consumers to interact with brands through social media? A motivation scale development study. *Procedia - Social and Behavioral Sciences, 148*, 219-226.
32. Facebook. (2019, November 14). Build better brand connections with Gen Zers and Millennials. Retrieved April 20, 2020, from

https://www.facebook.com/business/news/insights/build-better-brand-connections-with-gen-zers-and-millennials
33. Forbes. (2016, September 13). The Undetected Influence Of Generation X. Retrieved April 13, 2020, from https://www.forbes.com/sites/nextavenue/2016/09/13/the-undetected-influence-of-generation-x/#4b7bfeb31efb
34. Francis, T., & Hoefel, F. (2018, November). 'True Gen': Generation Z and its implications for companies. Retrieved April 13, 2020, from https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/true-gen-generation-z-and-its-implications-for-companies#
35. From the baby boomer to the post-millennial generations: 50 years of change. (n.d.). *Iberdrola, S.A.* Retrieved April 13, 2020, from https://www.iberdrola.com/talent/generation-x-y-z
36. Fromm, J. (2018, January 10). How Much Financial Influence Does Gen Z Have? *Forbes Media LLC*. Retrieved April 4, 2020, from https://www.forbes.com/sites/jefffromm/2018/01/10/what-you-need-to-know-about-the-financial-impact-of-gen-z-influence/#4c5de12356fc
37. George, D., & Mallery, P. (2006). *SPSS for Windows step by step: A simple guide and reference* (7th ed.). Boston: Allyn & Bacon.
38. Giunta, C. (2017). An Emerging Awareness of Generation Z Students for Higher Education Professors. *Archives of Business Research, 5*(4), 90-104.
39. Göbel, F., Meyer, A., Ramaseshan, B., & Bartsch, &. S. (2017). Consumer responses to covert advertising in social media. *Marketing Intelligence & Planning, 35*(5), 578-593.
40. Goh, E., & Lee, C. (2018). A workforce to be reckoned with: The emerging pivotal Generation Z hospitality workforce. *International Journal of Hospitality Management, 73*, 20-28.
41. Goldsmith, E. B. (2016). *Consumer Economics: Issues and Behaviors*. New York: Routledge.
42. Gong, T. (2017). Customer brand engagement behavior in online brand communities. *Journal of Services Marketing, 32*(3), 286-299.
43. Hasnan, L. (2019, September 28). Eco-conscious Gen Z taking action. Retrieved January 25, 2020, from https://theaseanpost.com/article/eco-conscious-gen-z-taking-action
44. Hassekiel, D. (2018, June 26). Engaging Gen Z in your social impact efforts. *Forbes*. Retrieved May 1, 2020, from https://www.forbes.com/sites/davidhessekiel/2018/06/26/engaging-gen-z-in-your-social-impact-efforts/#3a86c5436499
45. Hughes, J. (2018, November 13). Communicating with Generation Z: Everything You Need to Know. Retrieved April 13, 2020, from https://www.keystoneacademic.com/news/communicating-with-generation-z-everything-you-need-to-know
46. Jain, V., Vatsa, R., & Jagani, K. (2014). Exploring generation Z's purchase behavior towards luxury apparel: A conceptual framework. *Romanian Journal of Marketing*(2), 18-29.
47. Jörg, M. (2017a, May 29). Introducing: Generation X. *EN GARDE, Research*. Graz. Retrieved April 13, 2020, from https://www.engarde.net/introducing-generation-x/#.XpYd0_gzZPZ
48. Jörg, M. (2017b, May 31). Introducing: Generation Y. *EN GARDE, Research*. Graz. Retrieved April 13, 2020, from https://www.engarde.net/introducing-generation-y/#.Xpi5TcgzZPa

49. Jörg, M. (2017c, June 1). Introducing: Generation Z. *EN GARDE, Research*. Retrieved April 13, 2020, from https://www.engarde.net/introducing-generation-z/#.XpjQwMgzZPY
50. Kanchanapibul, M., Lacka, E., Wang, X., & Kai Chan, H. (2014). An empirical investigation of green purchase behaviour among the young generation. *Journal of Cleaner Production, 66*, 528-536.
51. Kemp, S. (2020, January 30). Digital 2020 report: Global Digital Overiview. *Datereportal*. Retrieved April 24, 2020, from https://datareportal.com/reports/digital-2020-global-digital-overview
52. Khan, I. A., & Bansal, V. (2018). Effect of Using PC Tablets on Perceived Learning Outcomes of Generation Z Trainees. *International Journal of Learning and Development*, *8*(1).
53. Kilgour, M., Sasser L., S., & Larke, R. (2015). The social media transformation process: curating content into strategy. *Corporate Communications: An International Journal, 20*(3), 326-343.
54. Kim, D.-H., Spiller, L., & Hettche, M. (2015). Analyzing media types and content orientations in Facebook for global brands. *Journal of Research in Interactive Marketing*, *9*(1), 4-30.
55. Knoll. (2014). *Research: What comes after Y? Generation Z: Arriving to the office soon.* Knoll Inc.
56. Kotler, P., & Armstrong, G. (2008). *Principles of marketing, 12th edition.* Pearson Prentice Hall.
57. Labrecque, L. (2014). Fostering Consumer–Brand Relationships in Social Media Environments: The Role of Parasocial Interaction. *Journal of Interactive Marketing, 28*(2), 134-148.
58. Lindstrom, M. (2003). *Brand Child.* London: Kogan Page.
59. Loureiro, S. M., Gorgus, T., & Kaufamnn, H. R. (2017). Antecedents and outcomes of online brand engagement: The role of brand love on enhancing electronic-word-of-mouth. *Online Information Review, 41*(7), 985-1005.
60. Malhotra, N. K. (2012). *Basic Marketing Research.* Pearson Education Inc.
61. Mannheim, K. (1952). *The problem of generations. K. Mannheim essays in the sociology of Knowledge.* London: Routledge & Keegan Paul.
62. McCrindle, M. (2014). *The ABC of YYZ; Understanding global generations (3rd ed.).* New South Wales: McCrindle Research Ltd.
63. Meeks, M., Williams, F., Knotts, T., & James, K. (2013). Deep vs. Surface Learning: An Empirical Test of Generational Differences. *International Journal of Education and Research, 1*(8), 1-15.
64. Merriman, M. (2015). *What if the next big distruptor isn't a what but a who? Gen Z is connected, informed and ready for business.* EYGM Limited.
65. Mutum, D., Ghazali, E., Asraf Mohd-Any, A., & Nguyen, B. (2018). Avoidance of sponsored posts on consumer-generated content: a study of personal. *The Bottom Line, 31*(1), 76-94.
66. Pophal, L. (2016). Influencer marketing: Turning taste makers into your best salespeople. *EContent*, *39*(7).
67. Portell, G., Brown, M., & Ben-Shabat, H. (2017). *America's Next Commercial Revolution: Influence vs. Affluence.* A.T. Kearney Inc.
68. Quart, A. (2003). *Branded: The buying and selling of teenagers.* Cambridge, MA: Perseus Pub.

69. Randstad. (2017). *Generation Z and Millennials Collide at Work Report.* Retrieved 2019, from https://cdn2.hubspot.net/hubfs/409577/Pre-Team%20Drive%20PDFs/Gen_Z_Millennials_Collide_Report_Dec_2016.pdf
70. Rohm, A., Kaltcheva, V., & Milne, G. (2013). A mixed-method approach to examining brand-consumer interactions driven by social media. *Journal of Research in Interactive Marketing, 7*(4), 295-311.
71. Rothman, D. (2014). A Tsunami od Learners Called Generation Z. *"Public Safety: A State of Mind" Online Journal, 1*(1).
72. Schuman, H., & Scott, J. (1989). Generations and collective memories. *American Sociological Review, 54*(3), 54, 359-381.
73. Skinner, H., Sarpong, D., & White, G. R. (2018). Meeting the needs of the Millennials and Generation Z: gamification in tourism through geocaching. *Journal of Toursm Futures*.
74. Smith, J., Paul, S., & Winnifred, L. (2011). Introduction: Social influence in action. *Group Processes & Intergroup Relations, 14*(5), 599-603.
75. Solomon, M., Bamossy, G., Askegaard, S., & Hogg, M. K. (2006). *Consumer Behaviour A European Perspective.* Pearson Education Limited.
76. Sparks&Honey. (2015). *Gen Z 2025, The Final Generation - Culture forecast.* Sparks & Honey L.L.C.
77. Straker, K., Wrigley, C., & Rosemann, M. (2015). Typologies and touchpoints: designing multi-channel digital strategies. *Journal of Research in Interactive Marketing, 9*(2), 110-128.
78. StrategicDirection. (2015). How Social Media aids Consumer Engagement: The value of an online brand community. *Strategic Direction, 31*(6), 21-23.
79. StrategicDirection. (2016). Social media as the path to marketing strategy: Companies must become "curators" to meet the challenge. *Strategic Direction, 32*(2), 20-22.
80. Strauss, W., & Howe, N. (1991). *Generations: The history of America's future 1548 to 2069.* William Morrow & Co.
81. Stredwick, J. (2013). *An Introduction to HR Management (3rd ed.).* New York: Routledge.
82. Tapscott, D. (2009). *Grown Up Digital: How the Net Generation is Changing Your World.* New York: McGraw Hill.
83. Toomey, D., & Francis, A. (2013). Branded product placement and pre-teenaged consumers: influence on brand preference and choice. *Young Consumers, 14*(2), 180-192.
84. Törőcsik, M., Szűcs, K., & Kehl, D. (2014). How Generations Think: Research on Generation Z. *Acta Universitatis Sapientiae, Communicatio, 1*, 23-45.
85. Twenge, J., Campbell, S., Hoffman, B., & Lance, C. (2010). Generational Differences in Work Values: Leisure and Extrinsic Values Increasing, Social and Intrinsic Values Decreasing. *Journal of Management, 36*(5), 1117-1142.
86. UnitedNations. (2019). Population Prospects 2019: Population by Broad Age Groups. Retrieved March 3, 2020, from https://population.un.org/wpp/Download/Standard/Population/
87. Williams, A. (2015, September 18). Move Over, Millenials, Here Comes Generation Z. New York.
88. Winston, A. (2019, December). The Top Sustainability Stories of 2019. Harvard Business Review. Retrieved January 25, 2020, from https://hbr.org/2019/12/the-top-sustainability-stories-of-2019

89. Zhang, H., Zhao, L., & Gupta, S. (2018). The role of online product recommendations on customer decision making and loyalty in social shopping communities. *International Journal of Information Management, 38*, 150-166.
90. Zheng, X., Cheung, C. M., Lee, M. K., & Liang, L. (2015). Building brand loyalty through user engagement in online brand communities in social networking sites. *Information Technology & People, 28*(1), 90-106.

APPENDICES

Appendix 1: Summary in Slovenian

Leto 2020 je v ospredje trženja pripeljalo novo generacijo potrošnikov, imenovano generacija Z. Ker je to največja skupina potrošnikov na trgu z znatno kupno močjo in veliko vpliva na družinsko potrošnjo, jim je vredno nameniti pozornost.

Pristop v generacijski teoriji, ki temelji na letih rojstva, je bil v sodobnih empiričnih študijah zasnovan na številne načine in obstaja več analitičnih okvirov za preučevanje generacijske problematike, vendar večina le-teh izhaja iz teorij, ki jih je Karl Mannheim vpeljal v sociologijo leta 1927 (Alanen, 2009, str. 159–174). Med raziskovalci obstajajo drugačna mnenja o generacijskih razponih. Za namen te raziskave se je upoštevalo starostno obdobje za generacijo Z, ki ga je opredelil McCrindle (2014), in sicer obdobje med letoma 1995 in 2010. Glede na rojstna leta je to prva generacija, ki sveta ni doživela brez interneta, kar pomeni, da so odraščali nenehno izpostavljeni pretoku digitalnih informacij, kar je močno vplivalo na vsak vidik njihovega življenja (Dingli in Seychell, 2015). Tehnologijo lahko razumemo kot njihov šesti čut (Randstad, 2017), ki jim omogoča opravljanje več nalog na do 5 zaslonih hkrati (Skinner, Sarpong in White, 2018). Glede na kulturo, preference in trende lahko podobne vzorce v njihovih navadah opazimo po vsem svetu (Törőcsik, Szűcs in Kehl, 2014). Pomembno je omeniti, kako se zavedajo svetovnih vprašanj (Austin, Dellaway, Kuhn in Spitz, 2018) in kako odločni so pri obravnavanju tem, kot so trajnostnost, človekove pravice, vključenost, raznolikost in izogibanje označevanju ljudi (Francis in Hoefel, 2018).

Ta magistrska naloga se osredotoča na preučevanje in razumevanje, kako ta nova generacija potrošnikov dojema blagovne znamke, z namenom prispevati k tržni teoriji in praksi za uspešno obravnavanje strategij blagovnih znamk za generacijo Z. Ugotovitve magistrske naloge podpirajo dejstvo, da se morajo tržniki seznaniti s to novo generacijo in prilagoditi svoje tržne strategije, saj se generacija Z zelo razlikuje od predhodnih generacij. Ker je to eden izmed ciljev, ki si jih številni tržniki želijo doseči, je pričakovati, da bo vzpostavitev stika z generacijo Z zahtevna naloga (Solomon, Bamossy, Askegaard in Hogg, 2006). Ugotovitve te raziskave empirično potrjujejo trditve, ki so ključne za uspeh v trženju. Raziskava dokazuje pomen digitalne prisotnosti za doseganje tega občinstva, zlasti v družbenih medijih. Ker sta Instagram in YouTube najbolj privlačna za generacijo Z, svetujemo, da blagovne znamke osredotočijo svojo komunikacijo na ti platformi družbenih medijev. Pomembno je poudariti, da je glavna motivacija za sodelovanje generacije Z v skupnostih družbenih medijev iskanje informacij o izdelkih/storitvah ter izkušenj in povratnih informacij drugih uporabnikov družbenih medijev v njihovih skupnostih. Zato spodbujanje razprav v skupnostih družbenih medijev velja kot koristno za blagovne znamke. Z naraščanjem vplivnežev se opažata zmanjšanje zaupanja in povečanje dvomov o zanesljivosti njihovih predlogov. Zato je treba skrbno razmisliti o uporabi vplivnežev kot tržne tehnike, saj lahko to negativno vpliva na stališča o določeni blagovni znamki. Najpomembnejša točka te raziskave je empirično preverjena trditev, da so za generacijo Z zelo pomembne vrednote in da običajne tržne taktike ne zadostujejo za izpolnjevanje njihovih pričakovanj. Njihovo vključevanje bo mogoče doseči le z zabavnimi vsebinami, ki so skladne z njihovimi vrednotami.

Generacija Z želi spremeniti svet, je družbeno odgovorna, se že zgodaj zanima za okoljska vprašanja in želi močno prispevati k naši družbi. Od blagovnih znamk pričakujejo enako. Poleg tega, da gradijo svojo spletno tržno prisotnost za povečanje prepoznavnosti svojih blagovnih znamk, morajo podjetja sodelovati v globalnih pobudah, ki so mladim pomembne, pokazati globlji namen svojega obstoja in v svoje poslovanje vključiti etičnost, preglednost in pristnost. Tako lahko blagovne znamke uspešno krepijo svojo pomembnost v očeh generacije Z, hkrati pa podjetja s tem prispevajo k družbenoekonomskim razmeram v skupnostih, v katerih delujejo (Costa, 2019). Ker je generacija Z še vedno v fazi razvoja svojih preferenc blagovnih znamk, bi morali tržniki to temo še podrobneje preučiti in o njej natančno razmisliti, da bodo lahko pritegnili to ciljno generacijo in poskrbeli za privlačnost blagovnih znamk.

Appendix 2: Survey

Dear respondent,
I am working on a Master thesis about the importance of brands for members of Generation Z. The purpose of my research is to determine how brands are perceived among consumers who are born between 1995 and 2010.
The survey will take 7–10 minutes of your time. Please ensure that you respond to all questions. Your responses are strictly anonymous and will be used solely for academic research purposes. Thank you for your time and valuable insights!

1. Gender:
   - Male
   - Female

2. Please select your birth year:
   Limited to choose from 1995–2010

3. How many members does your household consist of?
   - 1
   - 2
   - 3
   - 4
   - 5
   - 6
   - 7 or more

4. Please mark how often do you contribute to the following:

	Daily	**Often (3-4 times a week)**	**Occasionally (2-3 times a month)**	**Sometimes (2-3 times a year)**	**Rarely (less than 3 times a year)**	**Never**
Family consumption						
Shopping decisions						
Actual shopping						

5. Which product categories do you usually buy online? (Multiple answers are possible)
   - Clothes
   - Footwear
   - Sports equipment
   - Cosmetics
   - Tech/Gadgets
   - Toys/Games
   - Food and beverages
   - Books
   - Music
   - Pet supplies
   - Other, please add

6. How many hours per day do you spend on the following?

	None	**Less than 1 hour/day**	**2-4 hours**	**5-7 hours**	**8-10 hours**	**11 or more hours**
Online						
Traditional media (television, newspaper, radio, etc.)						

7. Which devices are you using to access the Internet? (Multiple answers are possible)
    - Personal computer
    - Smartphone
    - Tablet computer
    - Smart TV
    - Other, please add

8. In which year did you started using a smartphone?
   Years to choose from (1995-2020)

9. How do you prefer connecting with others? (Multiple answers are possible)
    - In person
    - Through social media
    - Through e-mail
    - Via texting
    - Normal phone call
    - Other, please add

10. Please rank (1-7) the following social media platforms according to your preference:

Instagram	
YouTube	
Facebook	
Twitter	
Snapchat	
TikTok	
WhatsApp/Viber	

11. Please mark your main purpose for using the following social media platforms (please select only one social media platform for each activity):

	Instagram	YouTube	Facebook	Twitter	Snapchat	TikTok	WhatsApp/Viber

Online shopping							
Entertainment, fun							
Communication, friendship, dating							
Research, getting information							
Connecting in discussion groups, exchanging recommendations							
Following specific brands							

12. How important to you is owning branded products in the listed categories below?

	(1) Not at all important	(2) Low importance	(3) Neutral	(4) High importance	(5) Extremely important
Clothes					
Footwear					
Sports equipment					
Cosmetics					
Tech/Gadgets					
Toys/Games					
Food and beverages					
Pet supplies					

Other, please add					

13. Please respond by using the scale to describe how likely would you do the following:

	(1) Highly unlikely	(2) Unlikely	(3) Neutral	(4) Likely	(5) Highly likely
Buy a product that was being advertised on the Internet					
Follow preferred brands on social media					

14. Please indicate how the following motives influence you to connect with brands through social media?

	(1) Highly unlikely	(2) Unlikely	(3) Neutral	(4) Likely	(5) Highly likely
Entertainment					
Brand engagement					
Access to customer services and content					
Product information					
Promotions					

15. Please respond by using the scale below to describe your level of agreement or disagreement with each statement.

#Think about a specific brand of one product category that you prefer compared to other brands (e.g. #apple vs. other tech products, #Adidas/Nike, vs. other sports apparel, #Lego vs. other toys).

	1) Strongly disagree	(2) Disagree	(3) Neither agree nor disagree	(4) Agree	(5) Strongly agree
My values affect my perception of brands.					
I would buy/consider buying a specific brand because I really like it.					

I am pleased if I buy a specific brand instead of other brands.					
I like a specific brand more than other brands.					
I feel more attached to a specific brand than to other brands.					
I am more interested in a specific brand than in other brands.					
I intend to keep purchasing a specific brand in the future, too.					
I intend to buy other products from this brand.					
I would be willing to pay a higher price for this brand over other brands.					
I would recommend this brand to those who ask for my advice					

16. Please respond by using the scale below to describe your level of agreement or disagreement with each statement related to aspects of brand engagement

	1) Strongly disagree	(2) Disagree	(3) Neither agree nor disagree	(4) Agree	(5) Strongly agree
I generally follow brands on social media which are in line with my lifestyle and values.					
On social media I follow some brands whose products I would like to buy in the future, although I cannot afford to buy them right now.					
I follow brands on social media which I consume and/or purchase often.					
Social media platforms are an appropriate place for consumers to get in touch with brands.					
I search through companies' social media platforms before buying a product online or in a store.					

I would be more engaged with a brand image that corresponds to my self-image.					
I would be more willing to like/follow a brand that provides interactive content with persuasive messages or visuals.					
I would be more willing to like/follow a brand if I received something in return (online coupons, discounts, giveaways).					
I would be more willing to like/follow a brand that regularly provides announcements about new products.					
I think that entertaining content provided by a brand on social media positively influences customers' attitudes towards the brand and brand loyalty.					
Social media is a convenient tool for customers to share their feedback, including complaints and suggestions, with the brands.					
Social media enable the possibility to communicate with brands without any time and space boundaries.					
Involvement of my friends and social network with a brand on social media influences me to engage in physical activities (e.g. book a holiday, buy a product).					
I consider posts that are asking me to answer a question, vote or visit a link more engaging than ones without such "call to action".					
The possibility of two-way communication with the brand on social media gives me a sense of belonging to a community.					

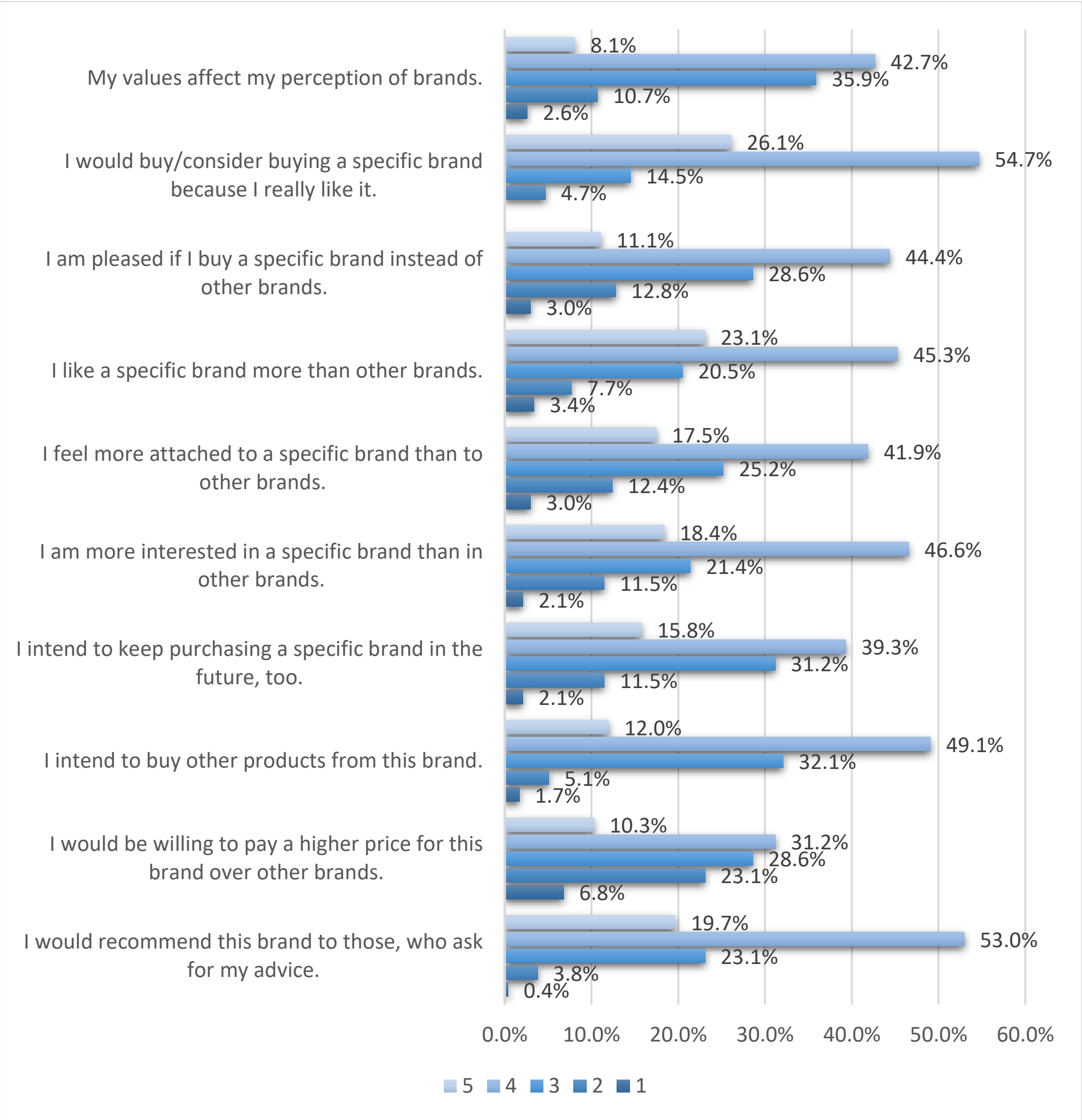
17. Please respond by using the scale below to describe your level of agreement or disagreement with each statement.

	1) Strongly disagree	(2) Disagree	(3) Neither agree nor disagree	(4) Agree	(5) Strongly agree
I prefer to buy the products of brands that I have liked on social media.					
I have purchased/would consider purchasing a brand product to show support for the social issues the brand supports.					
I would stop purchasing products from a company which stood for something or behaved in a way that didn't align with my values.					
I believe I can find reliable information on social media about products I plan to buy.					
If the information about a product I plan to buy is provided by a consumer who is also a social media user, I trust that information more than if it is provided by the seller.					
I value recommendations about products I plan to buy, shared by other people in social media communities that I follow.					
I value recommendations about products I plan to buy, shared by popular influencers in social media communities that I follow.					
While I am interacting with influencers who I admire on social media, I think a lot about the brands that they are endorsing.					
When I am interacting with influencers who I admire on social media, I want to learn more about the products they are using.					

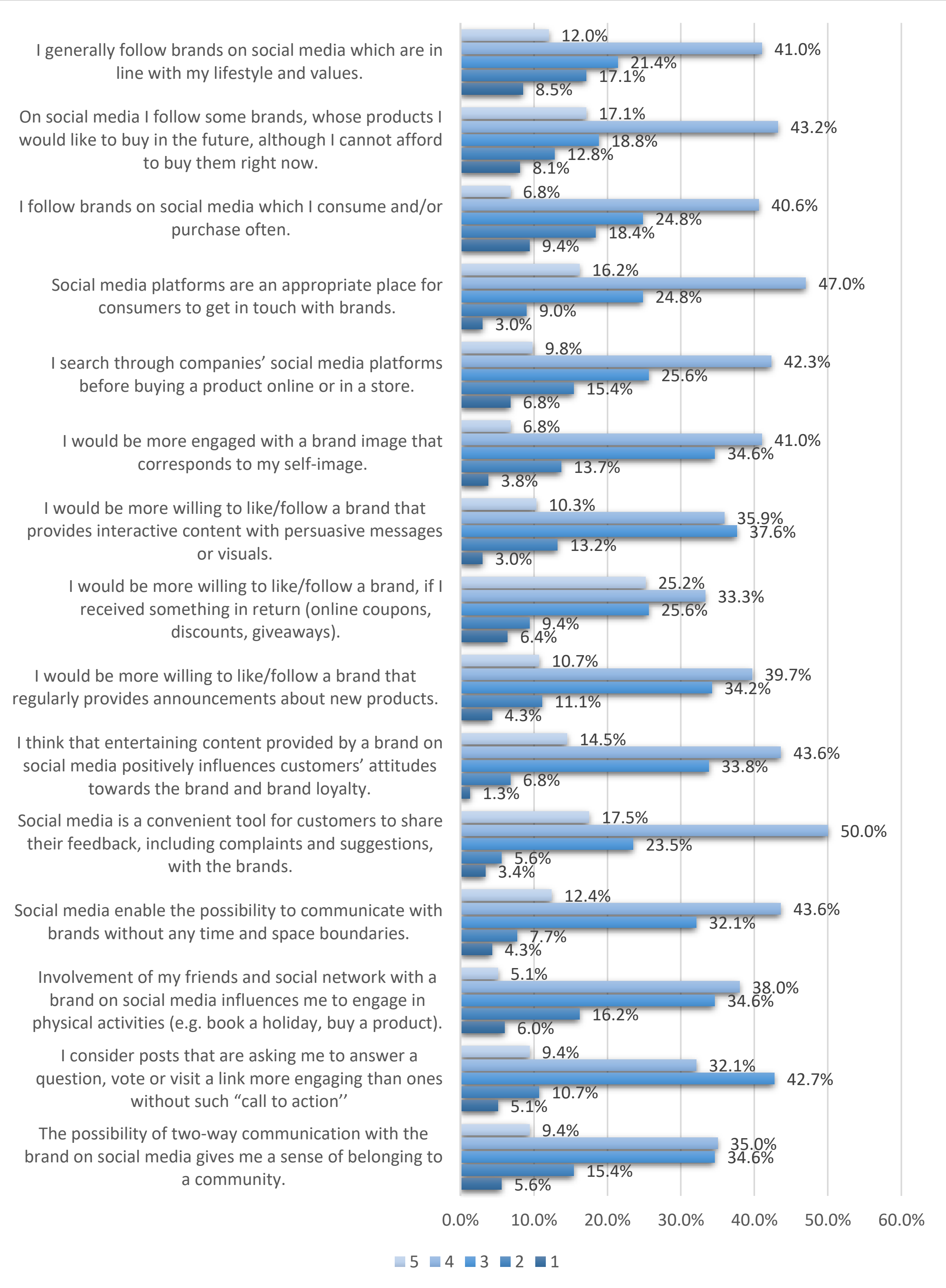
I would not click on the links in sponsored posts.					
I would click on the links in a sponsored post if shared by influencers I admire.					
I would trust information posted by influencers only if I perceived them as honest and reliable.					

Appendix 3: Results Q15-Q17

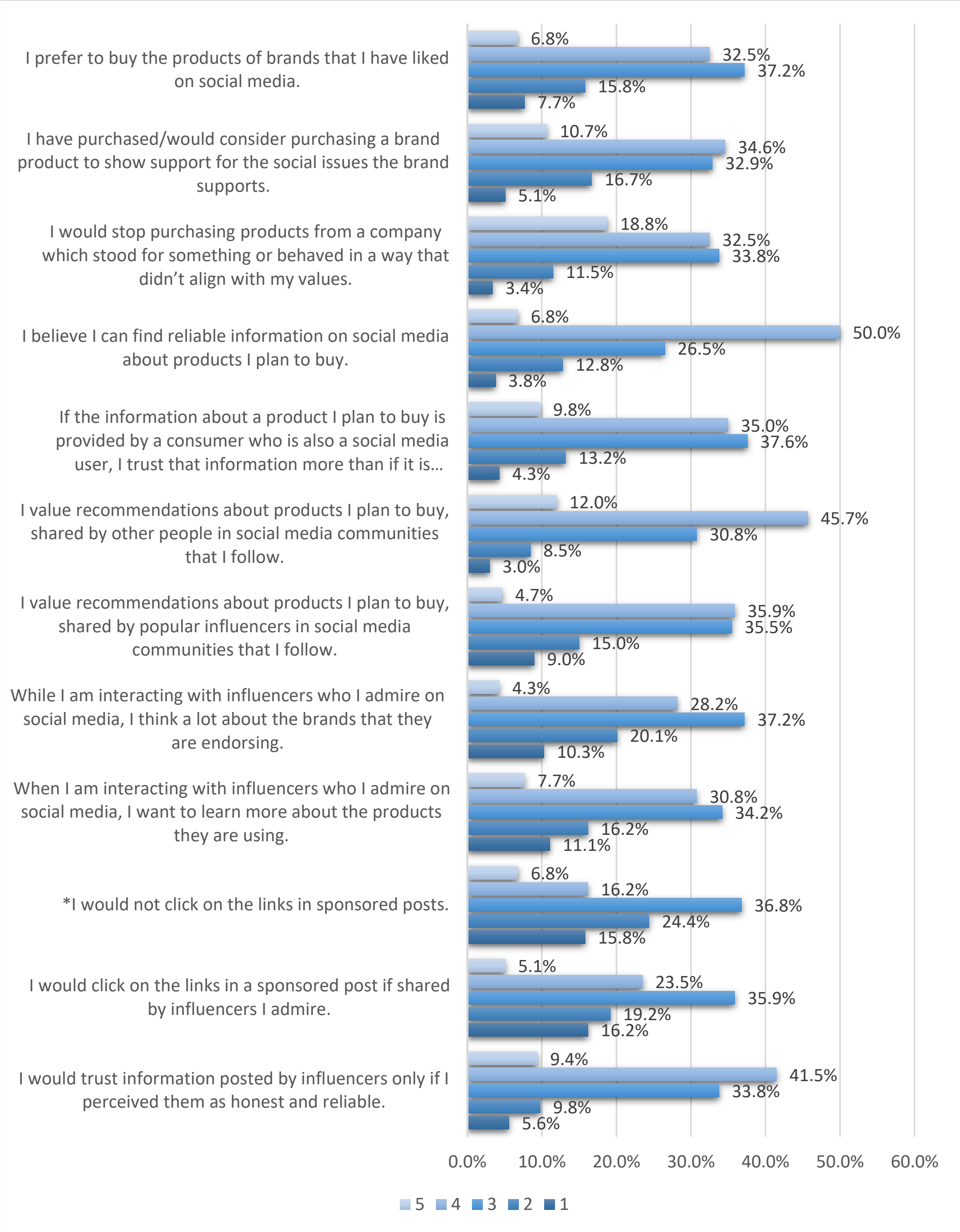
Question 15



Question 16


I generally follow brands on social media which are in line with my lifestyle and values.
12.0%
41.0%
21.4%
17.1%
8.5%
On social media I follow some brands, whose products I would like to buy in the future, although I cannot afford to buy them right now.
17.1%
43.2%
18.8%
12.8%
8.1%
I follow brands on social media which I consume and/or purchase often.
6.8%
40.6%
24.8%
18.4%
9.4%
Social media platforms are an appropriate place for consumers to get in touch with brands.
16.2%
47.0%
24.8%
9.0%
3.0%
I search through companies' social media platforms before buying a product online or in a store.
9.8%
42.3%
25.6%
15.4%
6.8%
I would be more engaged with a brand image that corresponds to my self-image.
6.8%
41.0%
34.6%
13.7%
3.8%
I would be more willing to like/follow a brand that provides interactive content with persuasive messages or visuals.
10.3%
35.9%
37.6%
13.2%
3.0%
I would be more willing to like/follow a brand, if I received something in return (online coupons, discounts, giveaways).
25.2%
33.3%
25.6%
9.4%
6.4%
I would be more willing to like/follow a brand that regularly provides announcements about new products.
10.7%
39.7%
34.2%
11.1%
4.3%
I think that entertaining content provided by a brand on social media positively influences customers' attitudes towards the brand and brand loyalty.
14.5%
43.6%
33.8%
6.8%
1.3%
Social media is a convenient tool for customers to share their feedback, including complaints and suggestions, with the brands.
17.5%
50.0%
23.5%
5.6%
3.4%
Social media enable the possibility to communicate with brands without any time and space boundaries.
12.4%
43.6%
32.1%
7.7%
4.3%
Involvement of my friends and social network with a brand on social media influences me to engage in physical activities (e.g. book a holiday, buy a product).
5.1%
38.0%
34.6%
16.2%
6.0%
I consider posts that are asking me to answer a question, vote or visit a link more engaging than ones without such "call to action"
9.4%
32.1%
42.7%
10.7%
5.1%
The possibility of two-way communication with the brand on social media gives me a sense of belonging to a community.
9.4%
35.0%
34.6%
15.4%
5.6%
0.0%
10.0%
20.0%
30.0%
40.0%
50.0%
60.0%
5
4
3
2
1

Question 17


I prefer to buy the products of brands that I have liked on social media.
6.8%
32.5%
37.2%
15.8%
7.7%
I have purchased/would consider purchasing a brand product to show support for the social issues the brand supports.
10.7%
34.6%
32.9%
16.7%
5.1%
I would stop purchasing products from a company which stood for something or behaved in a way that didn’t align with my values.
18.8%
32.5%
33.8%
11.5%
3.4%
I believe I can find reliable information on social media about products I plan to buy.
6.8%
50.0%
26.5%
12.8%
3.8%
If the information about a product I plan to buy is provided by a consumer who is also a social media user, I trust that information more than if it is…
9.8%
35.0%
37.6%
13.2%
4.3%
I value recommendations about products I plan to buy, shared by other people in social media communities that I follow.
12.0%
45.7%
30.8%
8.5%
3.0%
I value recommendations about products I plan to buy, shared by popular influencers in social media communities that I follow.
4.7%
35.9%
35.5%
15.0%
9.0%
While I am interacting with influencers who I admire on social media, I think a lot about the brands that they are endorsing.
4.3%
28.2%
37.2%
20.1%
10.3%
When I am interacting with influencers who I admire on social media, I want to learn more about the products they are using.
7.7%
30.8%
34.2%
16.2%
11.1%
*I would not click on the links in sponsored posts.
6.8%
16.2%
36.8%
24.4%
15.8%
I would click on the links in a sponsored post if shared by influencers I admire.
5.1%
23.5%
35.9%
19.2%
16.2%
I would trust information posted by influencers only if I perceived them as honest and reliable.
9.4%
41.5%
33.8%
9.8%
5.6%
0.0% 10.0% 20.0% 30.0% 40.0% 50.0% 60.0%
5 4 3 2 1

Appendix 4: SPSS results of factor analysis

Brand preference

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.890
Bartlett's Test of Sphericity	Approx. Chi-Square	790.513
	df	28
	Sig.	.000

Communalities

	Initial	Extraction
I would buy/consider buying a specific brand because I really like it.	**1.000**	**.218**
I am pleased if I buy a specific brand instead of other brands.	1.000	.549
I like a specific brand more than other brands.	1.000	.694
I feel more attached to a specific brand than to other brands.	1.000	.650
I am more interested in a specific brand than in other brands.	1.000	.650
I intend to keep purchasing a specific brand in future, too.	1.000	.607
I intend to buy other products from this brand.	1.000	.435
I would be willing to pay a higher price for this brand over other brands.	1.000	.417

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.222	52.775	52.775	4.222	52.775	52.775
2	.908	11.348	64.123			
3	.775	9.691	73.814			
4	.593	7.411	81.225			
5	.500	6.253	87.478			
6	.397	4.962	92.440			
7	.317	3.961	96.401			
8	.288	3.599	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix[a]

	Component
	1
I like a specific brand more than other brands.	.833
I feel more attached to a specific brand than to other brands.	.806
I am more interested in a specific brand than in other brands.	.806
I intend to keep purchasing a specific brand in future, too.	.779
I am pleased if I buy a specific brand instead of other brands.	.741
I intend to buy other products from this brand.	.660
I would be willing to pay a higher price for this brand over other brands.	.646
I would buy/consider buying a specific brand because I really like it.	.467

Extraction Method: Principal Component Analysis.

a. 1 component extracted.

Influencer marketing

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.734
Bartlett's Test of Sphericity	Approx. Chi-Square	333.678
	df	15
	Sig.	.000

Communalities

	Initial	Extraction

I value recommendations about products I plan to buy, shared by popular influencers in social media communities that I follow.	1.000	.523
While I am interacting with influencers who I admire on social media, I think a lot about the brands that they are endorsing.	1.000	.644
When I am interacting with influencers who I admire on social media, I want to learn more about the products they are using.	1.000	.692
***I would not click on the links in a sponsored post.**	**1.000**	**.108**
I would click on the links in a sponsored post if shared by influencers I admire.	1.000	.502
I would trust information posted by influencers only if I perceived them as honest and reliable.	**1.000**	**.250**

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.620	43.667	43.667	2.620	43.667	43.667
2	1.043	17.383	61.049			
3	.869	14.478	75.527			
4	.631	10.523	86.050			
5	.555	9.247	95.297			
6	.282	4.703	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix[a]

	Component
	1

When I am interacting with influencers who I admire on social media, I want to learn more about the products they are using.	.832
While I am interacting with influencers who I admire on social media, I think a lot about the brands that they are endorsing.	.803
I value recommendations about products I plan to buy, shared by popular influencers in social media communities that I follow.	.723
I would click on the links in a sponsored post if shared by influencers I admire.	.709
I would trust information posted by influencers only if I perceived them as honest and reliable.	.500
*I would not click on the links in a sponsored post.	.089

Extraction Method: Principal Component Analysis.

a. 1 component extracted.

User engagement

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.769
Bartlett's Test of Sphericity	Approx. Chi-Square	247.606
	df	10
	Sig.	.000

Communalities

	Initial	Extraction
On social media I follow some brands whose products I would like to buy in the future, although I cannot afford to buy them right now.	1.000	.654

I follow brands on social media which I consume and/or purchase often.	1.000	.633
I think that entertaining content provided by a brand on social media positively influences customers' attitudes towards the brand and brand loyalty.	**1.000**	**.297**
Involvement of my friends and social network with a brand on social media influences me to engage in physical activities (e.g. book a holiday, buy product).	1.000	.469
I prefer buying the products of brands that I have liked on social media.	1.000	.411

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.464	49.278	49.278	2.464	49.278	49.278
2	.856	17.123	66.402			
3	.709	14.171	80.573			
4	.571	11.430	92.003			
5	.400	7.997	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix[a]

	Component
	1
On social media I follow some brands whose products I would like to buy in the future, although I cannot afford to buy them right now.	.809

I follow brands on social media which I consume and/or purchase often.	.796
Involvement of my friends and social network with a brand on social media influences me to engage in physical activities (e.g. book a holiday, buy product).	.685
I prefer buying the products of brands that I have liked on social media.	.641
I think that entertaining content provided by a brand on social media positively influences customers' attitudes towards the brand and brand loyalty.	.545

Extraction Method: Principal Component Analysis.

a. 1 component extracted.

Descriptive Statistics (Mean, Std. Deviation)

Descriptive Statistics

	N	Mean	Std. Deviation
Brand preference	234	3.55	0.74
Engagement drivers	234	3.32	0.71
User engagement	234	3.25	0.80
Influencer marketing	234	3.00	0.83
Valid N (listwise)	234		