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CHAPTER 20

Generation Z and Digital Marketing

Anni Katriina Mäkitalo, Heikki Karjaluoto, and Outi Niininen

Author Note

Correspondence concerning this book chapter should be addressed to Anni Katriina Mäkitalo, School of Business and Economics, University of Jyväskylä, Mattilanniemi 2, P.O. Box 35, FIN-40014, Finland. Email: ak.makitalo@gmail.com

Generation Z and Digital Marketing

<u>1</u>   Introduction

Generation Z, also known as the post-millennials and digital natives, is the first generation that was born to a technology-advanced society. This chapter examines Generation Z – a generation that is rapidly growing to become one of the most powerful consumer forces in the markets and also the next generation of demanding job-seekers – and the type of marketing communication strategy that organizations should apply in order to create awareness, engagement, and interaction with the given generation. This study focuses on the needs, attitudes, and characteristics of Generation Z in a digital environment by reviewing the existent, relevant literature. The leading scholars in the theoretical discussion of this chapter regarding Generation Z include Priporas et al. in *Computers in Human Behavior* (2017), Duffett in *Young Consumers* (2017), and Duffett in *Sustainability* (2020). Priporas et al. (2017) researched Generation Z's expectations of interactions in smart retailing: the research discussed how advancements in technology and its ease-of-use for Generation Z significantly influence youth's consumer experiences and expectations online. Duffett (2017, 2020) researched social media marketing amongst teenagers. The theoretical discussion regarding digital marketing is led by Kannan and Li in *International Journal of Research in Marketing* (2017) and Lamberton and Stephen in *Journal of Marketing* (2016), who discuss the evolution of digital marketing.

The main findings indicate that the need for being part of a group or movement remains similar to earlier generations, but it has shifted from face-to-face meetings to online communities. Especially social media plays a major role in the lives of Generation Z: they spend hours browsing through social networking sites and feel emotionally attached to social media. Generation Z can be heavily impacted by the values and recommendations of social media influencers and overall, the existence and usage of technology has influenced their identity, social life, and daily routines. The importance and opportunities that influencer marketing can bring to organizations and a deeper understanding of the meaning of influencers to youth could be an interesting and beneficial subject for future research.

The objective of this chapter is to discuss how organizations can engage and interact with Generation Z through digital channels. Generation Z, also known as the digital natives, refers to the youth born around the year 2000 (Vetter 2017). Generation Z is the first generation that was born to a technologically advanced era and due to this influence, they are often viewed as eager users of the digital world and technology – the generation "does not know the world without the Internet" (Chicca & Shellenbarger 2018, p. 181).The advancements in technology are one of the most effective influences for Generation Z: almost like a distinctive trait.

As our world is rapidly developing, so are digital marketing platforms and tools. Karjaluoto and Mustonen (2015) explained the concept of digital marketing communications (DMC) as a process that enables organizations to build deeper relationships with their customers and where customers themselves can also create content. Digital marketing refers to all organization's actions and operations online: social media, email, online advertising, and organization websites are all examples of digital channels (HubSpot 2019). When carried out successfully, digital marketing increases efficiency, nurtures customer communication, raises general awareness, and boosts two-way interaction; it is often low cost, creates conversions, and appears in front of people anywhere and anytime (HubSpot 2019; Kannan & Li 2017).

A typical Finnish teen, for instance, is online around 30 to 40 hours a week, of which 3 to 5 hours per day are spent on their smartphones on social media. They view social media as the main channel for organizations to reach out to them (Ebrand Group 2019; Viestintäliiga 2019). Additionally, a study conducted by Shatto and Erwin (2016) revealed that Generation Z in the USA can spend up to 9 hours a day on their smartphones alone, and a major part of their social communication happens online as well. Ninety-five percent of US teens use smartphones, of which 45% state they use social media constantly (PEW Research Center 2018). This means organizations need to find new ways to reach out to today's youth by using tools, channels, and platforms popular among

this generation. This chapter aims to study how Generation Z uses digital

channels; what interests them, what motivates them, and how organizations can

successfully carry out two-way communication with today's teens. The main

variables of this research are shown in the conceptual framework (see Figure

20.1).

Figure 20.1. Conceptual framework for engaging
with Generation Z.

Generation Z refers to the first generation born into an already

technology-advanced environment. Although researchers differ in the exact

years they define as the rise of Generation Z, most say the members of

Generation Z were born somewhere around the years 1995 to 2000 (Jeys 2019;

Roseberry-McKibbin 2017; Wee 2017). Generation Z is comfortable with all

types of technologies, as the Internet was already widely used when they were

born (Miller et al. 2018). Members of Generation Z have therefore been

described as tech-savvy, highly educated, globally connected, and creative

(Gupta & Gulati 2014; Priporas et al. 2017).

Digital marketing was a known concept already in the 1990s, although

during that time it mostly referred to the act of a business advertising their

product or services to customers through digital channels (Fierro & Gavilanez

2017). Nowadays, digital marketing is a broader concept than just advertising a

product with the intention of increasing sales; it is an adaptive process enabled

by technology improvements, where businesses and organizations can cooperate

(create, communicate, deliver, sustain value) with their stakeholders (Kannan & Li 2017). One of the main techniques of digital marketing is social media.

Social media marketing can be simply defined as the use of social media channels to promote a company and its products (Nadaraja & Yazdanifard 2013). Social media platforms allow big networks of people to connect by sharing information and experiences and this has influenced the ways customers behave (Fierro & Gavilanez 2017; Lamberton & Stephen 2016). Social media is also the best channel to communicate with young audiences, compared to more traditional methods like email or a phone call (Viestintäliiga 2019).

Social media covers the majority of technologies and platforms that today's youth spend time on while online. In 2018, 70% of 13–17-year-old Americans checked social media multiple times a day and 95% of US teens use smart phones, of which 85% use YouTube (PEW Research Center 2018; Statista 2018). A typical Finnish teen spends close to 20 hours each week on social media, and the most common social media platforms used are WhatsApp, YouTube, Snapchat, and Instagram (Ebrand Group 2019; Viestintäliiga 2019). Social media is described as enriching and completing youth's social life.

1.1 Objective of the Chapter

This chapter analyses the characteristics and online behaviour of Generation Z by reviewing existing, relevant literature and data. By reviewing recent literature

on Generation Z, we discuss the needs and attitudes of the generation in the digital world and develop an understanding of what kind of online content this generation is most likely to consume, appreciate, and relate to. The findings may be used for the strategies of organizations and companies when creating marketing messages directed to Generation Z. Furthermore, this chapter looks to offer ideas also for further research regarding Generation Z in a digital environment.

2   Conceptual Development

2.1 Generation Z

Generations are identified groups of humans that share birth years, age location, and significant life events at developmental stages (Dolot 2018). According to the Center for Generational Kinetics (2016), the three key trends shaping generations are parenting, technology, and economics. Generations exhibit similar characteristics, such as communication, shopping, and motivational preferences. It is vital to remember that big events can affect a generation in a certain part of the globe, also influencing the characteristics of that generation for some time.

Recognizing the driving characteristics of a specific generation helps organizations in communication: for instance, content and copywriting, marketing channels and marketing messages can be adjusted according to the known characteristics and preferences of the generation in question (Sandeen 2008). Since around 1945 and until the establishment of Generation Z, there exist three non-arguable generations: Baby Boomers, Generation X, and Millennials, also often referred to as Generation Y (CGK 2016; Sandeen 2008).

Generation Z refers to the first generation born into an already technology-advanced environment: from a very early age, they have been exposed to the Internet, social networks, and mobile devices. Generation Z can be described as technology-savvy, innovative, and high on expectations (Francis & Hoefel 2018; Priporas et al. 2017). Although researchers differ in defining the exact years that Generation Z was born in, most say the first of Generation Z were born somewhere around 1995 to 2000 (Jeys 2019; Roseberry-McKibbin 2017; Wee 2017). Generation Z, also known as digital natives, post-millennials, and centennials, are the first generation that grew up with smartphones and some researchers say the generation not only lives online but was born with buttons for fast-forwarding (Dolot 2018; Priporas et al. 2017; Southgate 2017).

One of the most inevitable reasons for organizations to learn more about Generation Z and how to reach out to them is the vast percentage that Generation Z takes up of the total population and the powerful share of buying

power they have. In the USA alone, there are over 60 million Generation Z consumers; the generation is the largest cohort of the world's population; and the generation influences up to 600 billion US dollars in family spending (Jenkins 2018).

2.1.1 Generation Z in a Digital Environment

"When I think of Generation Z, technology is the first thing that comes to mind" (Williams 2015). The youth of Generation Z were born to a technologically advanced, first-world environment, which impacts their media consumption, online behaviour, and consuming habits; digital channels are not just for entertainment but also a big part of politics, work life, and identity formation (Wee 2017). According to Gupta and Gulati (2014) and Peres (2018), it is the major impact of technology on Generation Z's behaviour that sets them apart from previous generations as it is integrated to each aspect of their lives.

Generation Z is comfortable with all types of technologies, as the Internet was already widely used when they were born (Miller et al. 2018; Roseberry-McKibbin 2017). They have faith in technology: according to a survey conducted by Broadbent et al. for Valkey Foundation (2017), 84 % of international respondents said that advancements in technology make them feel more hopeful about the future. Besides sleeping, engaging with media is the second biggest activity in the daily lives of Generation Z – research shows that youth admit to

feeling emotionally attached to the digital world (Turner 2015; Wee 2017).

Technology also sets this generation apart from previous generations in how

they behave online and what kind of expectations they, as technology-dependent

consumers, have for companies (Priporas et al. 2017). According to Francis and

Hoefel (2018), organizations should make certain implications for this

generation: consumption as an access to something (such as car-pooling,

streaming subscription services) rather than just a possession of something;

consumption as a way to express one's identity and values; consumption as a

matter of ethical concerns. With a new purchasing and decision-making

generation in their hands, organizations should rethink the ways they can deliver

value to the customer and, more than ever, find ways to create personalized

content.

Digital channels have enabled Generation Z with numerous ways to

interact, participate, and control their digital behaviour. This has created feelings

of solidarity due to shared contexts and communities as well as helped youth to

shape their identities; one study discussed by Wee (2017) shows teens spending

up to 9 hours of their day on different digital channels. According to Wee (2017),

digital innovations have supported and encouraged a sense of self and one's

place in and view of the world at large. Some studies have discovered norms that

characterize Generation Z in a digital environment:

· strong interest in new technologies and instant ease of using them;

- desire to "escape realities" to digital environment;

- high expectations towards digital content and environment (Priporas et al. 2017; Rammopo 2016; Wood 2013).

2.1.2 Characteristics of Generation Z

Generation Z is described as "the wired generation": they access and comprehend information fast, are very international, and value individual expression (Francis & Hoefel 2018; Jeys 2019) – for Generation Z, rapid change has always been constant. Roseberry-McKibbin (2017) argued that besides being tech-oriented, Generation Z is also realistic and individualistic. Jenkins (2018) described the members of Generation Z as independent and early adopters of all tools new. Members of Generation Z describe themselves as supporters of diversity and equality: they value individual expression and avoid labels (Francis & Hoefel 2018; Broadbent et al. 2017; Jenkins 2018).

Characteristics of the generation's learning style have also been researched, but they show some overlapping: some researchers recognize these teens and young adults as private, preferably individually working, yet some highlight their need for interaction. Moreover, Generation Z seems to prefer visual tools and gets easily bored when the subjects are not challenging or alternating enough (Roseberry-McKibbin 2017; Williams 2015). Generation Z expects communication to be visual, precise, easy, and constantly evolving: one

of the traits often brought up when discussing Generation Z is their short

attention span, especially when the subject seems irrelevant or uninteresting to

them (Williams 2015). Wood (2013) discussed certain characteristics of

Generation Z as consumers, and also mentioned their high expectations for

innovation and need for convenience.

According to Rammopo (2016), Generation Z is not prone to text-heavy

content and they prefer symbols and images over formal written English.

Generation Z relies on communication with images, and written communication

should be limited to only necessary information (Swanzen 2016). To Generation

Z, of the main purchasing drivers are the image and aesthetic of the product or

service. In the workplace or other social settings, Generation Z appreciates

creativity, flexibility, mutual respect, adaptability, and lower hierarchy (Peres

2018). Dolot (2018) described Generation Z as a highly educated generation that

appreciates change and versatility.

Especially the use of social media has become an integral part of life for

most teens, and it is one of the key trends that shapes the whole Generation Z

(Gaidhani et al. 2019; Tulgan 2013). In recent years, youth social media use has

evolved and become more sophisticated, as studies show the frequent use of

social media among youth within and across multiple social media platforms

(Kranzler & Bleakley 2019). In 2018, 70% of 13–17-year-old Americans checked

social media multiple times a day (PEW Research Center 2018; Statista 2018).

According to a survey conducted by the Ebrand Group (2019), 78% of Finnish teen respondents use social media to read and view content and to show their support to content by reacting to it some way, for example by a like or a comment. To most of the respondents, social media enriches and completes their social life. The same assumptions were confirmed in PEW Research Center's (2018) study: youth use social media to communicate with friends and family, and also to meet and communicate with new people that share the same interests. Today's youth also use various digital outlets as their main source of information, and they are likely to read news online rather than from a printed paper (Flanagin & Metzger 2008).

Generation Z values online communities as they allow people from different backgrounds to connect over similar interests. However, Generation Z does not divide people to offline and online friends: whenever possible, they let the communication flow in both worlds (Francis & Hoefel 2018). This characteristic is a crucial one for organizations to comprehend as well: Generation Z does not have boundaries for being online or offline, they are everywhere at all times. Social networking and its various sites are discussed later in this chapter – besides communicating with one another, Generation Z can also be reached through social network sites by organizations as well.

<u>2.2</u> Digital Marketing

The growth of the Internet over the past decade is one of the most widely used examples to help explain globalization. The globalized world has correspondingly provided the opportunity to have a digital platform as a communication tool in common: the Internet is nowadays one of the most essential places for organizations to sell goods and services. This has also enabled marketing and communication to expand from their traditional natures to digital platforms as well (Fierro & Gavilanez 2017; Leeflang et al. 2014).

Marketing and communication that takes place in the digital environment is not dependent on geographical locations or time constrains – the development of technology and digitalization are providing businesses and communities with new, wider opportunities (Blair et al. 2015). Digital marketing is a broader concept than just advertising a product with the intention of increasing sales; it is an adaptive process that technology improvements have enabled, where businesses and organizations can cooperate (create, communicate, deliver, sustain value) with their stakeholders (Kannan & Li 2017). Lamberton and Stephen (2016) stated that since the beginning of the century, digital platforms have shaped marketing, offering new ways to reach, inform, engage, sell to, learn about, and provide for customers. Digital marketing channels can be split into three categories: owned, paid, and earned. Owned digital marketing channels

refer to, for instance, an organization's website and their email advertising; paid

digital marketing includes digital advertising and paid social media posts, and

earned digital marketing channels and assets include media coverage of one's

organization, online reviews, and social media posts by others (HubSpot 2019).

The definition of digital marketing has evolved during the past decades –

according to Fierro and Gavilanez (2017), digital marketing nowadays creates

experiences that engage consumers. Chaffey and Ellis-Chadwick (2019) defined

digital marketing as the process of integrating digital media, data, and technology

with traditional communication to achieve marketing objectives. Kannan and Li

(2017) described digital marketing as a set of activities and processes facilitated

by digital technologies for creating, communicating, and delivering value for

customers and other stakeholders. Digital marketing consists of numerous tools,

some of which are presented in Figure 20.2, which help organizations to stay

connected to customers and consumers.

Figure 20.2. Digital marketing tools.

Digital technologies have allowed marketing to create value for

consumers through new customer experiences and two-sided interaction (Blair

et al. 2015), and digital marketing is an almost compulsory tool to have in order

to compete in the market. There has been a shift in the way that the Web is used:

it has become more of a social place, enabling the rise of online communities and

therefore providing more power for the consumers. Such developments have

also enhanced the ways that organizations can create and improve their brand images and gain competitive advantage (Kingsnorth 2016; Tiago & Verissimo 2014).

Lamberton and Stephen (2016) even argue that we currently live in a post-digital era of marketing: marketing is not divided into traditional marketing, digital marketing, or anything else. Instead, we are "at a point in practice where digital marketing is just marketing, simply because almost all marketing activities a firm might consider now can have some kind of digital aspect" (Lamberton & Stephen 2016, p. 168).

The development of digital marketing strategies offers a large amount of potential for brands and organizations, such as:

· *Interactivity*. The Internet enables even real-time conversations, which can generate a positive experience of the brand, which can result in successful, long-term relationships with high engagement.

· *Visual communication*. Digital marketing enables the use of different photo- and video-based tools. This is an attractive way of reaching audiences that can lead to greater engagement.

· *Communities*. Digital channels provide a unique opportunity for organizations to connect with their audiences and users. This connectivity can improve the user experience and enhance the relationship with the service and the brand or organization itself.

· *Virality*. Digital channels also make expansion of any content possible. Following the model of word-of-mouth (WOM) communication, viral communication becomes relevant due to connectivity and shareability of online platforms that enhance the content spreading (Machado & Davim 2016; Yang & Coffey 2014).

As digital marketing has become an integrated part of marketing communications for many organizations, social media is one of the most efficient tools for establishing linkages with customers. Being interactive and present on social media channels is a chance for organizations to increase engagement, build strong relationships, and impact customer engagement as well (Tiago & Verissimo 2014).

2.2.1 Social Media Marketing

Digital marketing refers to using digital channels, devices, and platforms to build or promote one's marketing message. Digital marketing can serve as an 'umbrella' term because it encompasses many marketing techniques. One of the main techniques of digital marketing is social media: especially suitable for reaching and engaging with youth, to whom social media is a daily activity (Dunlop et al. 2016).

Social media is an informational and inspirational source for marketing (Jin et al. 2019). Social media marketing can be simply defined as the use of

social media channels to promote a company and its products (Nadaraja & Yazdanifard 2013). Social media platforms allow big networks of people to connect by sharing information and experiences and this has influenced the ways customers behave (Fierro & Gavilanez 2017; Lamberton & Stephen 2016). Social media marketing is also cost-effective and enables wider reach: organizations can reach an audience without temporal or locational limitations.

Research in recent years has discussed the various objectives that social media marketing can successfully cover, or at least help improve, such as boosting sales, improving brand awareness and brand image, generating traffic to online platforms, optimizing marketing costs, and creating user interactivity on platforms by encouraging users to post or share content (Nadaraja & Yazdanifard 2013; Drury 2008). Most of all, social media as a part of digital marketing has enabled better engagement and interaction than before: organizations can improve the relationship between a brand and a customer by engaging the customer through social media (Leeflang et al. 2014).

According to Drury (2008, p. 274), "marketing is no longer one dimensional; it is now a two-way process engaging a brand and an audience. Marketing within social media is not just about telling and giving a message, rather it is about receiving and exchanging perceptions and ideas." The same argument was stated by Machado and Davim (2016), who described social media as a great opportunity to establish meaningful, dynamic relationships across a

variety of platforms and users. Especially crucial social media marketing is for organizations targeting Generation Z, as today's youth spend hours each day online and use social media not only to talk with friends, but to also read news, acquire information, shop, and unite within relevant online communities. Social media plays a crucial role in influencing young consumers (Duffett 2017).

Social media marketing has its downsides, too. According to Nadaraja and Yazdanifard (2013), two-way communication requires a lot of time and commitment. Besides being time- and effort-consuming, social media platforms enabling interaction and communication also means that negative feedback can take place and be quite damaging to a brand image and reputation, if not handled correctly. Trademark and copyright issues also need constant monitoring on social media platforms, and organizations need to be aware of trust, privacy, and security issues as well.

Visual media: visual media sharing is a powerful tool used in social and digital marketing. During recent years, visuality has evolved to become the centre of multiple social platforms, YouTube being amongst the most well known. Besides YouTube, also Instagram, TikTok, and Snapchat are video- or image-based sites. Digital creatives are given more scope to produce engaging online advertising campaigns, thanks to new ad formats and increased use of videos. As discussed before, Generation Z is keen on using visual channels and tools. Members of Generation Z expect visual communication from organizations

– this proves that the given organization is relevant – to catch their interest, appearance and visuality even affect their purchase and consumption decisions.

Deciding what visual media platforms work for one's goals and needs depends on their situation: who is their target audience? How big of a factor is ease of access? Can the platform be integrated with other social media platforms (Kingsnorth 2016)?

Content marketing: Content marketing refers to anything that helps engaging consumers, so it is not just the written word; some content types are website articles, case studies, blogs, videos, mobile apps, infographics, podcasts, and images (Kingsnorth 2016). Content marketing refers to the creation, publication, and distribution of an organization's own content, and content marketing is vital for organizations in order to maintain a consistent brand image across content creation (Kee & Yazdanifard 2015). The heavy usage of digital media among Generation Z is therefore beneficial for organizations: attractive content is more likely to reach those that consume a lot of it. Compared to advertising, content marketing is more like storytelling (Kee & Yazdanifard 2015). Kingsnorth (2016) demands content to be credible, shareable, useful, or fun, relevant, and in accordance with the brand image. According to Marketo (2014), benefits of content marketing include:

·   building awareness for one's brand/organization;

·   establishing preference for one's brand/organization;

· reaching more customers with lower costs.

Successful content marketing can motivate customers to buy goods or services, transform them into loyal customers, and even have them spread the message to others (Kee & Yazdanifard 2015).

2.2.2 Social Networking Sites

Social networking is not a new phenomenon. People have always communicated with each other and recommendations, opinions, and word-of-mouth have taken place in social settings. Digital technology has, however, made social networking much quicker and globalized, and especially among youth, social media platforms have revolutionized social networking. For organizations, this brings challenges but also great opportunities: social media channels are, and should be, used more and more to market and promote to young consumers (Duffett 2017).

Although social networking sites (SNS) are quite new tools in the field of marketing communications, they are effective: not only do they make it possible for companies to communicate to millions of young consumers, they enable consumer-generated content as well (Duffett 2017). Furthermore, organizations have always communicated to consumers; with SNS, consumers can now respond, enabling a two-way communication like never before (Mangold & Faulds 2009). Social networking sites have taken user participation and the power of consumers to the next level.

SNS offer great brand awareness opportunities, where organizations can create targeted, paid campaigns for their chosen marketing segment. Liu and Ying (2010) define SNS as web-based services that enable consumers to create a public or semi-public profile within a platform, find and engage with other users, and see who other people are also communicating with. SNS like Facebook, Instagram, and Snapchat offer an opportunity for organizations to influence youth's self-expression, sociability, community engagement, and creativity (Livingstone 2008). According to Evans et al. (2018), especially youth like to follow their favourite brands on SNS.

Facebook was founded in 2004 and reached a million users during its first year. It is an online social media and social networking service that has been actively updating its functions: within 15 years, it has added photos, mobile-version, video option, chat and messenger, like and other reaction-buttons. Facebook currently serves over 2 billion monthly active users, and the company also owns WhatsApp and Instagram, two other networking platforms (Facebook 2019; Omnicore Agency 2019a).

Instagram is a photo and video-sharing social networking platform owned by Facebook Inc. In 2018, Instagram reached 1 billion monthly active users. Seventy-two per cent of teens use Instagram and there are over 500,000 active influencers on Instagram (Instagram 2019; Omnicore Agency 2019b; Statista 2018).

Snapchat is a multimedia messaging app, launched in 2011. The concept of the platform is photos, videos, and messages that disappear after a short period of time, and therefore is mostly used with smartphones rather than laptops or tablets. In the end of 2018, Snapchat had approximately 310 million monthly active users. Seventy-five per cent of Snapchat users are under 34 years old, and 40% of US teens prefer Snapchat over any other social media platform (Omnicore Agency 2019c; Snapchat 2019; Statista 2018).

YouTube is a video-sharing platform and out of the four introduced social media platforms, the least versatile. YouTube enjoys tremendous popularity among young audiences, and its position as an influencer platform is discussed later in this research: it is the second most-visited site in the world. YouTube was launched in 2005 and it is owned by Google. YouTube currently has about 2 billion monthly active users, and 95% of global internet users use YouTube (Omnicore Agency 2019d; YouTube 2019).

TikTok is a video-sharing platform, especially focused on short mobile videos. It was merged together with another platform, Musical.ly, in 2017. It has rapidly grown to become one of the most popular social media sites, as it has about 800 million active users per month: over twice the amount of Snapchat. TikTok is currently one of the most downloaded apps, and most of its users are "regular youth" instead of celebrities or already popular influencers (Omnicore Agency 2020).

2.3 **Digital Marketing Tools**

2.3.1 Electronic Word-of-Mouth

Advancements in digital technologies and the use of Internet have enabled better accessibility, reach, and transparency. Organizations can use the power of social media and other digital technologies and marketing communication tools to listen, engage, and influence their preferable audience (Sharma & Srivastava 2017). One such tool is word-of-mouth (WOM), a powerful communication tool that refers to any positive or negative statement made by customers about a product or company, which is made available to a massive reach of people. WOM is a consumer-dominated communication tool, and therefore often viewed as more credible and trustworthy than communication that comes straight from organizations.

Web-based technologies have established the possibility for word-of-mouth communication to take place digitally (Cheung et al. 2008). Electronic WOM (eWOM) is the process of such statements, either positive or negative, taking place in digital environments: for instance blogs, forums, networking sites, and reviews are all tools used by consumers to get, share, and communicate their opinions and experiences about a given organization and its products or services. eWOM refers to any positive or negative statement made by potential, actual, and former customers about a product or company via the Internet (Naz 2014;

Torlak et al. 2014). eWOM can also serve as an extension to communication that takes place elsewhere and continues in cyberspace (Cheung et al. 2008).

According to Yang and Coffey (2014), interactive audiences are younger, more engaged online, and have visibly high eWOM value. Social influence seems to have a strong impact on adolescents' choices and attitudes (Iyengar et al. 2009), which is why organizations that succeed in positive eWOM among Generation Z and youth in general can benefit from social media platforms.

2.3.2 Influencer Marketing

Influencer marketing focuses on using specific leaders to drive the organization's message to the audience: influencers represent the organization by sharing content on personal platforms or as the "face" of the organization through various platforms (Glucksman 2017). Kadekova and Holiencinova (2018) pointed out that influencers are not just marketing tools, but social relationship assets. The rise of social media has opened more channels for organizations to connect with their audience and using brand influencers as a marketing tool has broken the wall between the organization and the consumer, and social media influencers can be viewed as a modern phenomenon with a powerful impact on especially the younger generations (Glucksman 2017; Kadekova & Holiencinova 2018).

According to Glucksman (2017), influencer marketing has been one of the biggest marketing and PR trends in recent years. Social media influencers are third-party endorsers who shape the attitudes of their audience through blogs, tweets, photos, and other social media elements – other types of influencers are for instance industry experts, bloggers, and content creators. Young consumers can admire influencers for both their physical as well as personality traits and look to create their own identity by consuming and supporting the personality traits and values of influencers that they see as an ideal version of themselves (Xiao et al. 2018; Yurdakul-Şahin & Atik 2013).

One of the most popular platforms for online influencers is YouTube: in the USA, it outperformed all other online networks when it comes to reaching young audiences (Xiao et al. 2018). According to Xiao et al. (2018), YouTube influencers are at times even more popular among teens than mainstream celebrities, such as singers or models. As previously discussed, maintaining Generation Z's attention requires relevant activities from organizations: implementing marketing actions and targeting youth on YouTube is proven to be vital and successful (Duffett 2020). As YouTubers and social media influencers generally are perceived as quite trustworthy and credible information sources, using influencers to promote organizational messages can evoke positional attitudes among Generation Z (Duffett 2020). Another study that researched Instagram influencers found the use of influencers as an effective tool for

marketing, branding, and targeting young consumers: social media marketing is highly interactive, and when consumers can identify a brand with a likeable influencer, it can positively affect the brand preference (Jin et al. 2019).

2.3.3 User-Generated Content

Social media marketing has enabled more integrated, two-way marketing communication than before as consumers actively engage with brands through various social networks and create data about their related experiences (Liu et al. 2019). Social networking sites inevitably enable organizations to create relevant, attractive content to consumers, but such sites work the other way too: they provide a platform for users to create and share their own content. This is, according to Kingsnorth (2016), one of the biggest benefits of SNS: organizations can listen and join the conversation created by consumers and therefore allow consumers to influence the organization. Customer participation allows organizations to have a better understanding of the current needs and it creates a sense of belonging among consumers – in a way, consumers can become co-developers.

User-generated content (UGC) refers to content that users contribute themselves: either the production of completely new and original content, or the editing of existing content. In addition to the creation of content, the concept also involves sharing and distributing it, as the content must be accessible to the

public or a group (Naab & Sehl 2016; Östman 2012). There are numerous ways in which consumers can also create and distribute content, such as photos, videos, testimonials, tweets, blog posts, and reviews – anything that consumers create about the brand rather than the brand creates of itself (O'Hern & Kahle 2013). UGC is similar to electronic word-of-mouth and at times the definitions may overlap (Smith et al. 2012). UGC can be measured for example by volume: how frequently it takes place among customers, and by valence: the feelings and ideas within such posts (Colicev et al. 2019). UGC brings value in the shape of more targeted marketing, better brand communication, and deeper customer engagement, and surveys have also proven it has a positive impact on brand image, purchase intentions, and sales (Liu et al. 2019).

UGC is especially influential during this era of customer empowerment and among youth: they create their own content in the shape of photos, videos, and text as a form of self-expression (Needham 2008), and they view UGC as the most authentic, credible, and trustworthy form of information (Stackla Consumer Content Report 2019). It has been researched that UGC has a stronger relationship with audience satisfaction and a stronger informative effect that FGC, firm-generated content, and that audience appreciates organizations that encourage the creation of UGC (Colicev et al. 2019).

<u>3</u>   Conclusion

The objective of this chapter was to review the key literature concerning Generation Z from the perspective of marketing – namely marketing communication strategies organizations should use when interacting with this specific demographic target group. As Jenkins (2018) discussed, Generation Z has tremendous purchasing power. This makes it so crucial for organizations to learn how to appeal to and interact with them. Our review of recent studies in this topic reveals that Generation Z shares many similarities with other demographic groups but the main difference is how this group uses technology. Priporas et al. (2017), Lamberton and Stephen (2016), and Kannan and Li (2017) all agree on the huge impact that technology and digital marketing have, especially on this generation. Advancements in technology have shifted a lot of their interactions to virtual platforms: Generation Z is agile with technology and spends a lot of time online, which creates great opportunities for organizations to interact through SNS. Social media is undoubtedly the right channel to reach out and engage with Generation Z, but organizations must be careful about the channels and the content they choose. One channel is often not enough: organizations should carry out cross-channel marketing to maximize their exposure, attractiveness, and relevancy. Generation Z seems to be quite specific about the channels they spend time on and the content they wish to engage with.

Generation Z values eye-catching, visual content – they have a short attention span if something does not seem relevant to them, which makes it even more crucial for organizations to make an impact with effective marketing tools.

4   Future Directions

Generation Z is one of the largest cohorts in the modern world and already has a position as one of the strongest purchasing powers as well. Generation Z's characteristics and behaviour are shaped by technology, which is why further research on the given generation will be vital in the future. As Generation Z is known for their heavy media consumption and need for constantly evolving and alternating content – the generation feels emotionally attached to the digital world – continuous research on this area will be helpful for organizations.

As visual content and tools are already the preference of this generation, the importance and emphasis of visuality are likely to play an ever-growing role in the future as well. Images and videos catch the attention of Generation Z and enable making an impact in the short span of time that youth typically give to marketing communication, or any content in general. In the future, organizations must pay great notice to the ways in which they present information: necessary written content can be combined with relevant photos, illustrations, videos, and graphics, for instance.

Members of Generation Z characterize themselves as supporters of individuality and equality, and it seems typical for this generation to highlight the freedom to express oneself and the elimination of labels. As social media and online communities play a part in their identity formation, youth that find a certain organization and their values relatable and likeable are likely to not only consume products or services but also tell their friends by creating UGC or sharing positive eWOM across online platforms. A potential future direction for the marketing strategy for organizations therefore is to prioritize communicating and distributing their values to a relevant young audience – future research could then explore the impact of such marketing actions on Generation Z.

As a third promising future research avenue, we see a lot of potential in examining how influencer marketing works among Generation Z. Influencer marketing has been one of the biggest marketing trends during recent years and with the new SNS emerging at rapid speed, there is a lot of unresearched and unused potential in this area. Youth generally view social media influencers as trustworthy and credible and can shape their identity and values according to such influencers. Learning more about the impact and importance of influencer marketing as a part of strategic marketing communication to Generation Z can offer valuable information.

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