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The Gen Z Mindset: Identifying the Factors Influencing their Buying Behaviour and Choices

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ABSTRACT

This study takes a close look at how Generation Z in India shops and what really influences their buying decisions. Growing up surrounded by technology, social media, and online platforms, Gen Z thinks and shops differently than before. By talking to 166 young people aged 16 to 25, the research uncovers what matters most to them when they choose what to buy.

It turns out that while many love the convenience of shopping online, they often prefer a mix of both online and in-store experiences — what’s called a “phygital” approach. Reviews from other customers and recommendations from smaller, trusted influencers have a big impact on their choices. Beyond just the product, this generation cares deeply about trust, sustainability, and the values a brand stands for. They like when shopping feels personal, but at the same time, they’re careful about their privacy and data security.

The study also points out some challenges, like limited product options and customer service, especially in rural areas. To really connect with Gen Z shoppers, businesses need to build stronger trust, offer more variety, and create experiences that feel tailored just for them. This way,

INTRODUCTION

The Indian market has undergone a significant transformation in consumer behavior, particularly with the rise of Generation Z (born between the mid-1990s and early 2010s). Unlike previous generations that prioritized saving and spending on necessities, Gen Z exhibits a preference for convenience, personalization, and digital engagement. The rapid growth of e-commerce, fueled further by globalization and the COVID-19 pandemic, has created new opportunities for businesses while also challenging them to adapt to evolving consumer expectations. As digital natives, Gen Z has grown up surrounded by technology, smartphones, and high-speed internet, making them highly responsive to online content, social media influence, and immersive experiences.

While Gen Z is now a key consumer group with increasing purchasing power, much of the existing research either generalizes their behavior with Millennials or focuses mainly on Western contexts. This creates a notable gap in understanding their unique traits in a diverse and dynamic market like India. Particularly underexplored are Gen Z’s interactions with technologies such as augmented and virtual reality (AR/VR), their impulsive buying behavior on digital platforms, and how global events like the pandemic have shaped their preferences. This study aims to explore these areas by identifying the major factors that influence their decisions—such as price, brand reputation, social responsibility, and platform design—and by examining how promotional strategies and “phygital” shopping experiences affect their choices.

The findings of this research will contribute to theory by applying models like Generational Cohort Theory and the Stimulus-Organism-Response (S-O-R) framework to better explain Gen Z’s consumer behavior. It will also offer practical insights for businesses on optimizing e-commerce interfaces and marketing strategies to better engage this generation. Additionally, the study will provide policy suggestions to support digital innovation and consumer protection in India’s rapidly evolving online retail space.

LITERATURE REVIEW

Over the years, researchers have tried to understand what drives people—especially Gen Z—to shop online. Kalia et al. (2016) laid the groundwork by identifying general factors like convenience and trust. Later studies, like those by Kaul & Das (2018) and Thangavel et al. (2021), compared Gen Z with Millennials, showing how Gen Z is more tech-savvy, brand-conscious, and quick to try new things.

Several Indian studies (Sharma & Singh, 2019; Desai & Kankonkar, 2020) focused on Gen Z's habits specifically in India, revealing their growing interest in fashion, fast delivery, and smooth online experiences. Social media has also become a big part of the shopping journey—Kadam et al. (2021) and Nair (2023) found that influencers and online reviews strongly shape Gen Z's decisions.

The pandemic changed things even more. Ramesh et al. (2022) and Leclerc & Nguyen (2023) observed a clear shift in Gen Z's preferences, with many leaning toward blended “phygital” experiences—where online and offline shopping come together. Meanwhile, studies like Roberts (2023) and Fernandez (2024) show that this generation now expects personalized service and prefers ethical, socially responsible brands. Overall, Gen Z is shaping a new kind of digital shopping—fast, smart, and driven by values.

RESEARCH METHODOLOGY

This study adopts a quantitative research approach to explore the key factors influencing Gen Z's online shopping behavior, focusing on convenience, personalization, social responsibility, and impulsive buying. The research also examines the role of e-commerce platform interfaces and external influences like brand trust. To test the hypothesis, data was collected through structured online surveys and interviews, targeting Gen Z individuals (aged 16–30) from metropolitan areas in India with prior online shopping experience. A purposive sampling method was used, resulting in 48 valid responses. The survey included Likert-scale and multiple-choice questions, distributed via Google Forms and supplemented by in-person interviews. Key variables included price sensitivity, convenience, and social media influence as independent factors, with purchasing behavior and impulsive buying as dependent outcomes. Data analysis was conducted using tools like SPSS and Excel, with hypothesis testing performed through chi-square analysis. A pilot test was also conducted to ensure reliability and clarity of the questionnaire.

DATA ANALYSIS AND INTERPRETATION

The survey reveals that the majority of respondents (87.5%) are young Gen Z individuals aged 16–25, with 62.5% male and 56.3% from urban areas. Most are students (68.8%) who prefer both online and offline shopping modes. Gen Z consumers demonstrate strong brand awareness, with over 85% considering brand values before purchasing and 62.5% acknowledging the influence of digital marketing. A growing number (63%) seek sustainable products, and around 66% follow social media influencers for product recommendations. Trust in customer reviews is high, with about 88% relying on them before making purchases. Consumers also prioritize brand reputation over price and believe trendy products reflect better quality. Advertisements, personalized recommendations, and influencer suggestions significantly shape preferences. Ethical shopping, support for local businesses, and brand alignment with personal values are key priorities. Discounts and reviews drive purchasing decisions, while price comparison and a conscious effort to reduce impulsive shopping reflect a thoughtful and digitally influenced consumer mindset.

HYPOTHESIS TESTING

The hypothesis testing aimed to examine whether external factors like brand trust significantly influence Gen Z's purchasing decisions. Using the Chi-Square Test of Independence on the relationship between brand trust and the perception of online shopping convenience, results showed a chi-square value of 12.76 with a p-value of 0.012. Since this is below the 0.05 significance level, the null hypothesis is rejected. This indicates that brand trust does have a statistically significant impact on Gen Z's perception of online shopping, supporting the idea that external factors influence their buying decisions.

DATA INTERPRETATION

The cross-tabulation and chi-square test reveal a significant link between brand trust and Gen Z's perception of online shopping safety. Respondents who strongly trust a brand are more likely to view online shopping as safe and convenient. The chi-square value of 12.76 and p-value of 0.012 (below the 0.05 threshold) confirm this relationship is statistically significant. Therefore, brand trust plays a key role in shaping online shopping preferences among Gen Z, emphasizing the need for marketers to focus on building brand credibility and transparency.

RESEARCH FINDING

The research reveals that Gen Z consumers in India are highly digital-savvy, brand-conscious, and driven by trust, ethics, and convenience. Over 85% understand digital marketing's impact, and many prioritize brand values and authenticity when making purchases. Social media and peer influence significantly shape their buying choices, with a strong reliance on reviews and micro-influencers. Sustainability is also important, with many seeking eco-friendly options and ethical brands. Personalization and price comparison further guide their shopping behavior. Overall, Gen Z's purchasing decisions are shaped by a blend of digital influence, social trust, ethical awareness, and value for convenience.

CONCLUSION

This study provides key insights into the buying mindset of Gen Z in India, revealing their strong reliance on digital tools like social media, peer reviews, and online shopping for making decisions. While they often make impulsive purchases influenced by discounts, there's growing awareness around

sustainability—though this doesn't always translate into action. Despite a clear preference for online shopping, physical stores still hold value, suggesting a need for a balanced digital-physical strategy. Gen Z shoppers are informed and practical, balancing trends and instant gratification with a focus on price, brand reputation, and value—vital insights for businesses aiming to earn their loyalty.

DISCUSSION AND SUGGESTION

The study provides key takeaways for businesses targeting Gen Z, emphasizing the powerful role of social media and the need for authentic engagement, especially through relatable micro-influencers. Gen Z values customer reviews and expects brands to deliver on promises, highlighting the importance of trust and transparency. Although they express concern for sustainability, their actions often don't align, offering brands a chance to better communicate the real impact of their eco-friendly efforts. Impulse buying driven by discounts is common, but brands should also promote mindful consumption. While online shopping dominates, Gen Z still values in-store experiences, making phygital strategies like AR try-ons and omnichannel services highly relevant. Lastly, with their price sensitivity and low brand loyalty, businesses should focus on value, honest pricing, and loyalty programs to maintain long-term engagement.

RESEARCH SCOPE/LIMITATIONS

While this study offers valuable insights into the consumer behavior of Indian Gen Z, it has some limitations. The focus on urban youth aged 12–25 means the findings may not reflect rural perspectives or apply to older generations. Since the data is self-reported, responses might be biased or socially influenced. The cross-sectional design also captures only a moment in time, missing how preferences may evolve. Additionally, the survey format limited deeper exploration of individual experiences. To build a fuller picture, future research should include diverse participants, track changes over time, and blend surveys with interviews for richer insights.