THE CONSUMER PROFILE ACROSS THE GENERATIONS FROM THE MARKETING PERSPECTIVE

Mircea FUCIU[1]

Lucian Blaga University of Sibiu, Romania

Abstract

Having a clear understanding of the consumer has become crucial for developing an effective marketing campaign. The online environment has greatly changed the consumer and their consumption behaviour. In the everchanging online business environment the companies are dealing with all types of consumers, starting from the baby boomers, and finishing with the alpha generation. This paper deals with the evolution of the consumer generations in the context of an ever-evolving marketing concept, it points out the key characteristics of these consumers in a digital environment. Furthermore, it is very important to underline the online consumer profile in the context of the shift between generations, so by literature review and statistics we show how the consumers have changed in their quest of becoming 21st century online customers.

1. Introduction

Some time ago, Jack Welch, former Chief Executive Officer of General Electric said that companies "… have only two sources of competitive advantage: the ability to learn more about our customers faster than the competition; the ability to turn that learning in to action faster than the competition" (Chaffey and Smith, 2017). This is where we find ourselves today,

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[1] *Assistant professor, Ph.D., Lucian Blaga University of Sibiu, Faculty of Economic Sciences, Department of Management, Marketing and Business Administration, e-mail: mircea.fuciu@ulbsibiu.ro*

we as marketing specialists and also, we as companies must have a better understanding of our consumers, especially in the context of the development of the online environment.

Today's economic environment is in a constant state of change, the last two years, under the pressure of the Covid-19 pandemic, the consumers have shifted massively to the online and a question arises from this, will they stay online, or will they go back to face to face buying? Therefore, understanding the consumers and their profile is fundamental to a successful marketing campaign.

With an increased mobility and online connectivity, consumers are having less time to consider and evaluate brands and buy the desired goods (Kotler et. al, 2017). The life of the consumers is going one thousand miles per hour and the attention drops under the influence of the speed, under the constant pressure generated by the online and offline marketing stimuli. So, the companies must understand who these consumers are, how they react to the new marketing environment, in order to better generate messages and to develop efficient targeting strategies.

The 21st Century consumer is a multitasker, he or she is working with different multimedia devices online and is connected with these devices and are difficult to connect with, from the marketing perspective, or they do not stay on a website or a social media platform for a long time (Frost et. al, 2019). All this is also considered by marketers in the context of the different age groups and that of the particularities generated by the generational gap of the consumers. The current papers is dealing with the profile of online consumer, while dealing with the evolution of the consumers over the years from the generational perspective, and also underlining several statistics to this effect.

2. On the issue of consumers in the online environment

We know that the main focus of the marketing activity is the consumer as seen in the definition of marketing underlined by the American Marketing Association which defines the concept of marketing as "*the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large*" (AMA, 2017). Another definition of marketing (Kotler et.al., 2018) defines the marketing as "*a process by which companies engage customers, build strong customer relationships, and create customer value in order to capture value from customers in return*".

So, we see that the consumer (as stated before) is at the heart of the marketing activities and must be taken into consideration whenever developing a new product or a service or when creating a marketing communication campaign. In the context of the evolution of the online, the consumers are changing. Not only by giving simple feedback, but also by biting back if the companies do not deliver the promised value. The online environment has basically given the consumers the tools to control the brands and are able to raise awareness about products, activities and goals that are of interest for them (Chaffey and Smith, 2017).

The online environment has also generated challenges in the area of the social and cultural impact upon the consumers. Among the most important changes that have occurred due to the online are in areas like (Frost et.al, 2019):

- *sophisticated consumers* – they are aware of the control that they have over their choices and adapt their choices to their needs, based on their social cultural values and virtues (Timbalari, 2019).
- *information overload* – due to the access to large amount of information and data generated by the internet, the consumers are less and less willing to spend time on a certain issue and have a low tolerance for unsolicited data.
- *multitasking* – based on their upbringing and their experience many of the consumers are able to multitask and can be targeted using different communication channels (TV and online).
- *work-life balance* – especially in the last two years and due to the pandemic, the boundaries between work and personal life are simply disappearing. The internet connectivity and access to the online has made certain that the consumer stays connected all the time even dealing with work related issues while at home.
- *convenience* – the online environment has given the opportunity to the consumers to buy from anywhere at any time, in the conditions that they desire. The current mobile technologies have created the conditions for 24/7 marketing and sales activities.
- *need for safety and security* – has become a topic of great importance for the current online consumers. In an internet age, when access is paramount, the consumers desire that companies require permission before generating marketing communication messages on their devices.

As we can see, this are the conditions, and this is the environment we find ourselves in. At the same time, there are aspects related to new marketing approaches and evolutions of the 21st Century online consumer which mixed with the presence on the market of different generations, creates new challenges and opportunities for the companies and their marketing activity.

3. The online consumer considering the evolution of generations

We live in an everchanging environment, and nothing changes within a society as much as people and their cultural values, principles, and actions. Communicating across different cultures, can be challenging especially in different environments, even within the online where customers are ordering products from all over the world, from people and cultures that can be different from yours (Meyer, 2014).

Our society is changing greatly and Kotler et.al (2017, p. 7-15) mentions several changes that have occurred and of which companies must be aware of: *(1) an exclusive to inclusive environment; (2) form a vertical to a horizontal way of doing business; (3) from an individual to a social approach to consumers.*

In the current business based online environment, it seems that creating a consumer profile is easy. But the challenge of understanding the consumers and the changes that they go trough the generations is rather difficult. Every generation is developed and shaped by different sociocultural environment and experiences and each generation has different preferences and attitudes related to products and services (Kotler et. al., 2021).

Figure 1: The five generations
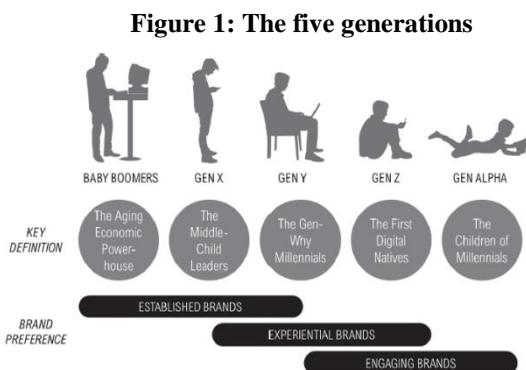
Source: (Kotler et. al., 2021)

From figure no. 1, we can observe the evolution of the current consumer generation in the context of the online / technological usage and also related to the preference for certain brand behaviour. Kotler defines the **baby boomers** as *"college-educated, upper-middle-class, and home-owning. Like many of their peers who married late, these boomers are still raising children in comfortable suburban subdivisions and pursuing kid-centred lifestyles".* (Kotler and Keller, 2016).

Generation X or the "middle-child leaders", are defined by the fact that they were born between mid-60s and mid 70s (1965 – 1980). They have experienced important consumers technology changes (from TV ads to Internet and social media) which has made them very adaptable to change.

Generation Y or the "millennials" are characterised by being born in between 1981 and 1996 and they represent the main link and association with the usage of social media. The members of this generation have used the Internet from an early age and for personal rather than professional reasons. Because of their access to technology and to multiple information channels, they ask more questions, and they are more open-minded and idealistic (Kotler et.al., 2021).

Generation Z or the "digital natives" are consumers born between 1997 and 2009, and due to the almost unlimited access to the internet they are considered to be the first digital natives. They are usually considering the Internet, the smartphone, or social media as an indispensable part of their everyday life. When considering their online consumer behaviour, the companies must be aware of the fact that *"when they are interested in things they see on television, they search for them on their mobile devices. When they are deciding whether to buy something in-store", they research price and quality online. Being digital native, they can make purchase decisions anywhere and anytime, involving a wide range of devices".* (Kotler et al. 2017).

Generation Alpha are the children born after 2010, which are completely shaped by the technologies that surround them. According to Kotler (Kotler et. al. 2021) they "*see technology not only as an integral part of their lives but also as an extension of themselves. Generation Alpha will continue to grow up adopting and using human-mimicking technologies such as artificial intelligence, voice command, and robots*".

Figure 2: Consumer generations vs. marketing thought
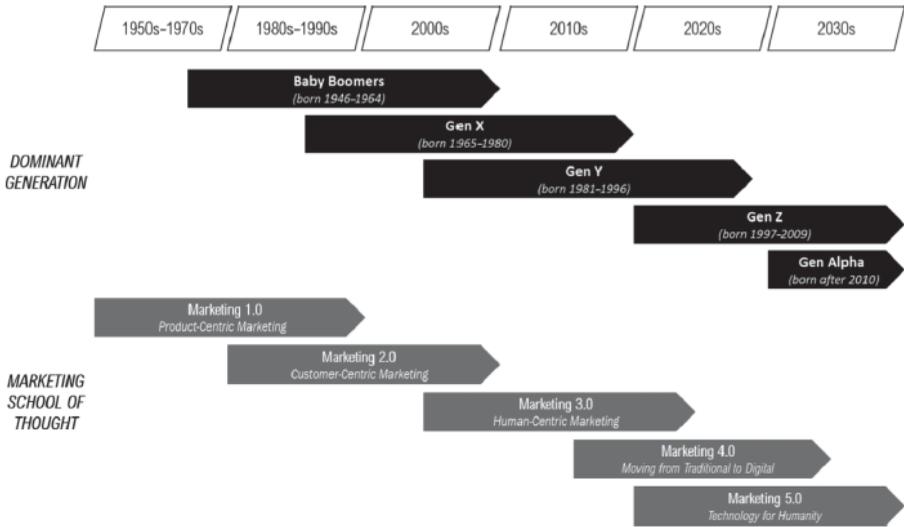
Source: (Kotler et. al., 2021)

From the brief description above, we have observed the evolution of the generations over the last 70 to 80 years, but at the same time, with the evolution of the generations, so did the marketing concept evolve. In his most recent book, Kotler et.al., (2021) proposed, as seen in figure 2 a comparison between the evolution of the generations and the evolution of the marketing thought.

We observe an evolution from marketing 1.0 (were the consumer were offered something that they did not need), to marketing 2.0 and 3.0 (were companies developed relationships with the consumers and also started to take and embed ethical and social responsible marketing practices in their activity), to finally marketing 4.0 and 5.0 (were the technologies and especially the online have become paramount and were in the 5.0 case, the technologies are becoming integrated with the aspects related to social responsibility and human centric behaviour).

Based on research developed by McKinsey (Francis and Hoefel, 2018), we can underline that *"generational shifts could come to play a more important role in setting behaviour than socioeconomic differences do. Young people have*

become a potent influence on people of all ages and incomes, as well as on the way those people consume and relate to brands". From the perspective of their consumption behaviour, the said report shows (figure 3) the differences between the generations (except Alpha)

Figure 3: Characteristics and behaviours of the generational consumers

	Baby boomer 1940–59	Gen X 1960–79	Gen Y (millennial) 1980–94	Gen Z 1995–2010
Context	• Postwar • Dictatorship and repression in Brazil	• Political transition • Capitalism and meritocracy dominate	• Globalization • Economic stability • Emergence of internet	• Mobility and multiple realities • Social networks • Digital natives
Behavior	• Idealism • Revolutionary • Collectivist	• Materialistic • Competitive • Individualistic	• Globalist • Questioning • Oriented to self	• Undefined ID • "Communaholic" • "Dialoguer" • Realistic
Consumption	• Ideology • Vinyl and movies	• Status • Brands and cars • Luxury articles	• Experience • Festivals and travel • Flagships	• Uniqueness • Unlimited • Ethical

Source: (Francis and Hoefel, 2018)

If we take the case of **generation Z** for example, one can observe that the behaviour and the consumption process is much more outgoing, and community based than the other three. One of the main trends of **Generation Z** in terms of consumption is, according to Wood (2013), *escapism,* because it denotes a *"behavior in the home will likely mirror their parents' generation. Generation X is often characterized as a generation highly prone to escapist consumption pursuits including entertainment (e.g., movies, music, video-games), extreme sports, dining out, and fostering social "tribes" (networks of friends that take the place of distant family)".*

Of course, there are several statistics that point out the consumption behaviour of the different generations. According to Santora (2021) there are several interesting consumer and spending habits of Generation Z (which have been compiled using information from the US Census Bureau), like:

- There are 67,06 million generation Z consumers in the USA.
- The spending power of generation Z is of 120 billion USD.

- About 50% of the generation Z members are working as freelancers.
- More than 54% of generation Z members use and consider social media as the best way to identify news or new products or services.
- 42% of the generation Z act after seeing an advertisement (they click on an ad).
- 98% of generation Z individuals own and use a smartphone (Nikolovska, 2021).
- 55% of the generation Z population chooses eco-friendly and socially responsible brands.
- In the US, Gen Z'ers are expected to account for 40% of consumers.

As we can observe the generation Z statistics are very interesting. A recent study results presented by Statista (Watson, 2021), study undertaken in May 2021 on 261 respondents born between 1997 and 2012, aimed to identify the main news sources used by generation Z, can be seen in figure 4.

Figure 4: Sources of news for the generation Z individuals (US citizens)
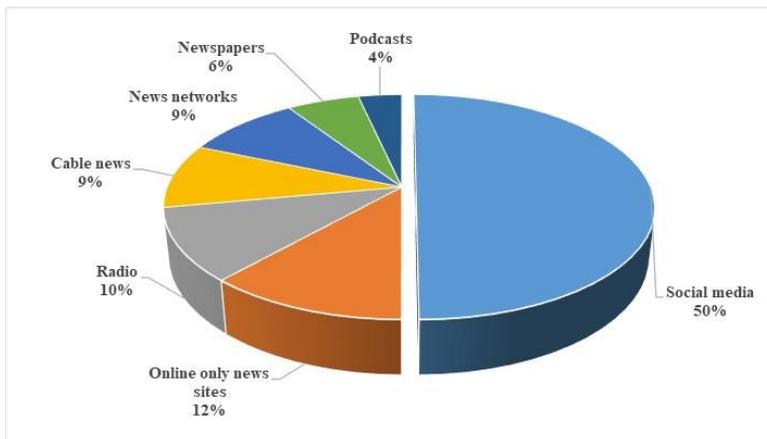
Source: author's adaptation after Watson, 2021

From figure 4, the results show and confirm Santora's results regarding the usage of social media as a news and information platform for the generation Z individuals. Watson's study (2021) also shows that online news

sites are news sources for 12% of the respondents and the rest (radio, cable news, podcasts, newspapers) are at 10% and below.

One can conclude that the new generations Z & Alpha are, as Kotler et.al (2017, 2021), and Francis and Hoefel (2018), online consumers and are using the new information and communication technologies as the basis of their current and future online buying behaviour.

4. Conclusions

The consumer and the business environment are changing under the shifts generated by the usage of the Internet and by the transformations that were caused by the fast-paced adaptation of the new information and communication technologies. In the last eight decades, the evolution of society, the development of consumer generations and the evolution of the marketing thought have greatly influenced one another.

The current paper was developed in order to have a better understanding of the generation of consumers and their profiles as well as to underline several important statistics that give a clear picture of how the current consumers have evolved and how they act in the present business environment, especially in the online conditions.

A good understanding of the consumer profile is the key to developing a clear and efficient marketing strategy, it helps companies, and their marketing specialists develop the proper tools to target the consumers, to develop the right message and to use the appropriate channels for the delivery of the marketing communication message.

We have seen the evolution of the generations of consumers, from the baby boomers (that represented tens of millions of consumers which used the classical marketing methods), to the Z and Alpha generations of consumers (that have been born in the online age, ore can be considered digital native), and we understand by observing the results of the presented secondary data research, that the future of the marketing activity could and is revolving around the online environment and to the shift from the classical marketing environment to the digital online communication environment, that gives the companies' the opportunity to reach the consumers faster and from all over the world.

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