



A Study On The Influence Of Advertising Appeals On Generation Z With Respect To E-Commerce

Dr. Wani Nalanda D.¹, Ms. Kavita S. Waghmare^{2*}

¹ *Research Guide, Research Centre in Commerce and Management (Commerce), Indira College of Commerce and Science, Pune 33, Affiliated to Savitribai Phule Pune University, and HOD Commerce & Coordinator, Research Centre Indira College of Commerce and Science, Pune 33, Affiliated to Savitribai Phule Pune University. Email: nalanda.wani@iccs.ac.in*

^{2*} *Research Scholar, Research Centre in Commerce and Management (Commerce), Indira College of Commerce and Science, Pune 33, Affiliated to Savitribai Phule Pune University. Email: kavitaaws@gmail.com*

***Correspondence Author:** Ms. Kavita S. Waghmare

** Research Scholar, Research Centre in Commerce and Management (Commerce), Indira College of Commerce and Science, Pune 33, Affiliated to Savitribai Phule Pune University. Email: kavitaaws@gmail.com*

Abstract

Generation Z, being the generation to grow up in the digital era, evince some distinctive features and preferences that significantly shape their online shopping behavior. The study delves into various advertising appeals employed by E-commerce platforms and investigates their effectiveness in capturing the attention, interest, and loyalty of Generation Z consumers. The findings of this research aim to provide valuable insights for marketers and E-commerce businesses seeking to optimize their strategies for this influential consumer segment. The content is based on recent literature and on what are the views of Generation Z concerning the online advertising appeals. Technology and the internet being the integral part of the life of Generation Z, it represents a unique demographic with marked characteristics, preferences, and behaviors. Generation Z is quick to adopt and adapt to trends. E-commerce businesses must stay agile and responsive to emerging trends to remain relevant. Studying the impact of advertising appeals helps identify what resonates with this dynamic demographic, allowing businesses to adjust their strategies accordingly. In this study, we established that online advertising appeals don't have significant influence on purchase behavior of Generation Z although they improve the Customer experience and thereby brand loyalty.

CC License
CC-BY-NC-SA 4.0

Keywords: Advertising Appeals, Generation Z, and E-commerce.

INTRODUCTION AND STATEMENT OF THE PROBLEM

With a population of 472 million, Generation Z in India is the largest in the world (Shaheema Hameed, Meera Mathur, 2020). It is widely recognized as the next consumer powerhouse. Gen Z has been accustomed to, and prefer, online purchasing due to ease of access, time saving, promotional activities and prices being lower than traditional/ physical shops (M. Thirumagal Vijaya, et al, 2023). This explains why Gen Z uses e-

commerce platforms so extensively. Because Gen Z spends much of their time in virtual marketplaces, it is crucial for e-commerce companies to advertise their items online with the help of digital advertising. Digital marketers and advertisers are challenged to develop targeted campaigns to capture the attention of these digital natives that are upcoming influential spenders on products and brands (Alison Munsch, 2020). However, according to Advertising Age (Nielsen, 2017), 69% of Generation Z already avoid ads. It's critical to capture Generation Z's interest through digital advertising since this type of communication affects how they behave while making purchases. If marketers and advertisers fail to capture the attention of Generation Z with digital marketing and advertising content, the return on investment of such expenditures in the billions of dollars is compromised. (Alison Munsch, 2020).

Digital advertisers often resort to dynamic advertising appeals that resound with the digital-native demeanour, combining authenticity, visual appeal, and interactive content to hypnotize the attention of and stimulate engagement among Generation Z. Therefore, a compelling necessity arises to scrutinize the influence of digital advertising appeals.

Objectives of the Study

1. To study the role and importance of advertising appeals used with respect to E-commerce.
2. To understand the relationship between the use of advertising appeals and generation Z.
3. To evaluate and analyse the influence of advertising appeals on generation Z.

Research Methodology

- The Descriptive Research method has been extensively used for this study.
- The Universe for the present study consists of all the individual born in late 1990's and early 2010's.
- The present paper is based on both Primary as well as Secondary data.
 1. Primary data has been collected with the help of a Google form questionnaire.
 2. For Secondary data, various websites, blogs, related online articles and research papers were referred.
 The data thus collected has been studied, analysed and the outcomes of the same have been presented in the given paper.

I. GENERATION Z

Generations born in the 1990's and raised in the 2000s during the most profound changes in the century who exists in a world with web, internet, smart phones, laptops, freely available networks and digital media are considered as the Generation Z (Bascha, 2011; Brue Tulgan & Rain maker Inc., 2013). Generations Z is raised with the social web, they are digital centric and technology is their identity (Singh, Dangmei, 2016).

Based on the study of Bascha (2011), they prefer transparency, self-reliance, flexibility and personal freedom are non-negotiable aspects of Generation Z. Therefore this is of utmost importance for marketers to devise their offerings and promotions specific to targeted generations. With the right digital marketing campaign, sellers can attract the attention of generation Z and help them make buying decisions (Ayu Alfyya Fathinasari, et al, 2023).

II. E-COMMERCE

E-commerce is associated with the buying and selling of information, products and services via computer networks today and in the future via any one of the myriad of networks that makeup the Information Superhighway (Joseph, 2015). The country's digitization and expanding internet user base is shaping the growth of India's e-commerce industry. Online shopping experience is being altered dramatically with the advancements in technology, like artificial intelligence and virtual reality. Despite the fact that digital advertising is an essential component of e-commerce, it is difficult to determine where one ends and the other begins. Digital advertising is one of the most effective ways for businesses of all sizes to expand their reach, find new customers, and diversify their revenue streams (Kristen McCormik, 2023). Today's leading Gen Z consumers are transforming retail dynamics by opting for web-rooming made available by digital advertising over traditional show rooming experiences.

III. ADVERTISING APPEALS AND E-COMMERCE

The requirement of effective advertisement is to formulate those sets of appeals and then verbalize and dramatize these appeals in such a way that it ultimately solicits quick consumer response (G.S.Sudha, 2005).

Advertising appeals of communication focuses on arousing feelings or emotions in customers. These feelings gain the attention of customers and affect the customer's attitude towards the advertisement and the brand (Arora and Jain, 2021).

While advertising employs diverse appeals, the distinct features of online advertising appeals align seamlessly with the unique advantages offered by digital platforms, like **Educational Appeal**: which provide valuable information about the product's features, benefits, or industry trends through blogs and reviews, **Convenience Appeals** highlight the convenience of online shopping like quick delivery, easy returns, and hassle-free transactions. **Visual Appeals** in the form of visual content like images, videos, info graphics, and interactive media to grab the audience's attention compared to text alone, **Interactive Content like** quizzes, polls, to enhance user participation, **Personalised advertisements** based on user preferences, behavior, or demographics to create a more personalized and relevant experience, **Innovative technology**- like Augmented Reality (AR) or Virtual Reality (VR), to create immersive and attention-grabbing experiences, **Dynamic Content** that can adapt to user behavior and preferences, providing a more personalized and dynamic appeals and **Influencer Marketing**.

IV. STATEMENT OF HYPOTHESIS

Hypothesis I

H₀: There is no association between advertising appeals and the behavior of Generation Z.

H₁: There is a significant association between advertising appeals and the behavior of Generation Z.

Hypothesis II

H₀: There is no significant difference in the effectiveness in the different types of advertising appeals by E-commerce businesses.

H₁: There is a significant difference in the effectiveness in the different types of advertising appeals by E-commerce businesses.

V. RESEARCH DESIGN

This is an empirical study. The research adopts a qualitative analysis approach since the investigation is based on statistical analysis of information provided by respondents to solve the problem identified.

Population for the Study

For this study, the respondents who are Generation Z are randomly selected from the population of Pune city.

Research Approach

For this study, a survey method is used for collecting data, respondents are requested to fill in the questionnaire through Google Form.

Sample Size

The sample size of 112 was taken to conduct the study. The sample is collected by Random Sampling Technique.

Data Analysis and Statistical Tools

To assess the reliability of data collected, Cronbach's alpha test is applied through SPSS. Further to do descriptive analysis of the primary data Ms-Excel is used and hypothesis testing is done with the statistical tests such as Chi- square Test and Kruscal Wallis Tests using SPSS software.

VI. DATA ANALYSIS

To eliminate inconsistencies, outliers, and irrelevant entries the data cleaning process was employed and a refined dataset was obtained resulting in a reduction of the initial sample size from 112 to 104.

Following is the analysis of the research information as provided by the respondents in the research questionnaire done with the help of Ms- Excel.

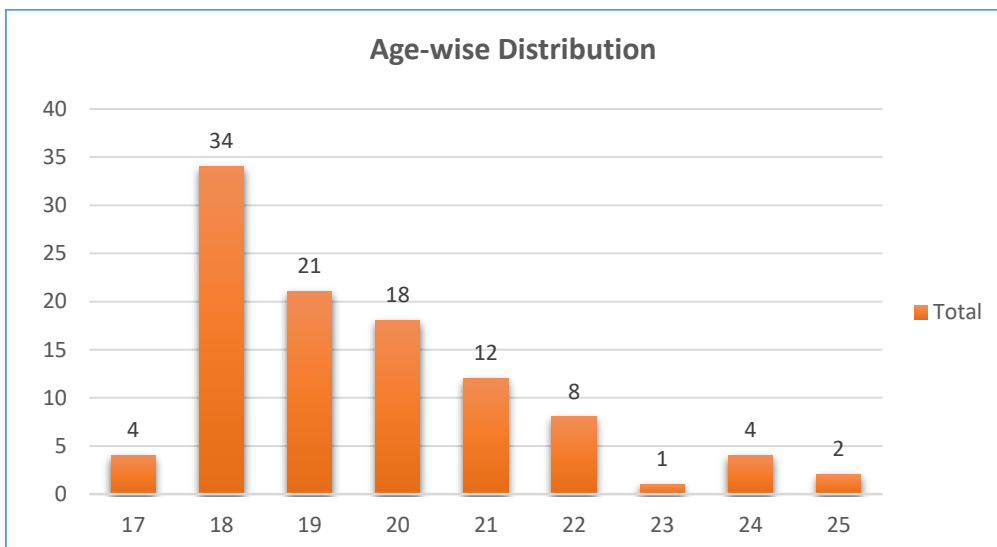


Diagram 1

The second age category of 18 years dominates the largest proportion of respondents, comprising 32.7%, suggests that they are remarkably acquainted with the online advertising. This can be considered the outcome of their inborn familiarity and active involvement with the latest digital technologies widespread in the digital world.

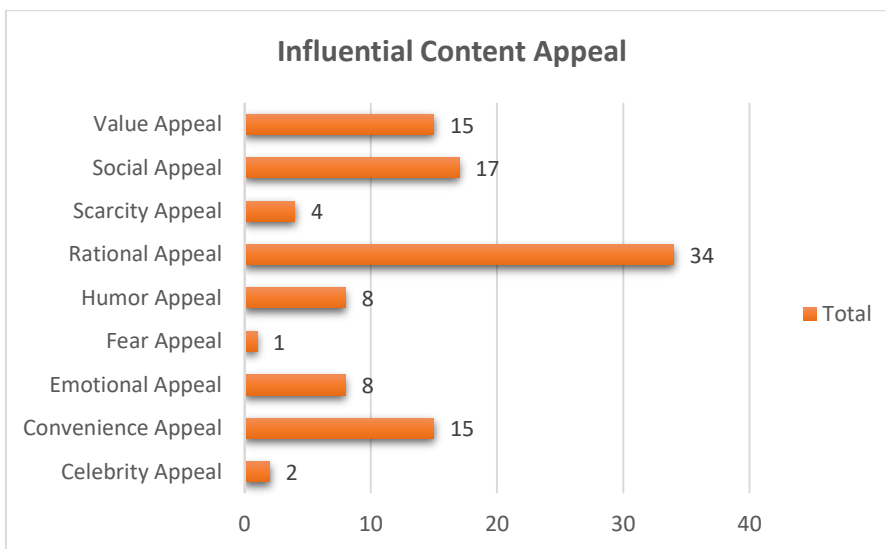


Diagram 2

The data indicates that among the various content appeals, Rational Appeal is the most influential on Generation Z, obtaining the highest valid percentage at 32.7%, suggesting more response to advertising messages that rely on cost savings, reliability, convenience, customization, sustainability or transparency. The contribution of Convenience and Value Appeal is also significant, each representing 14.4%.

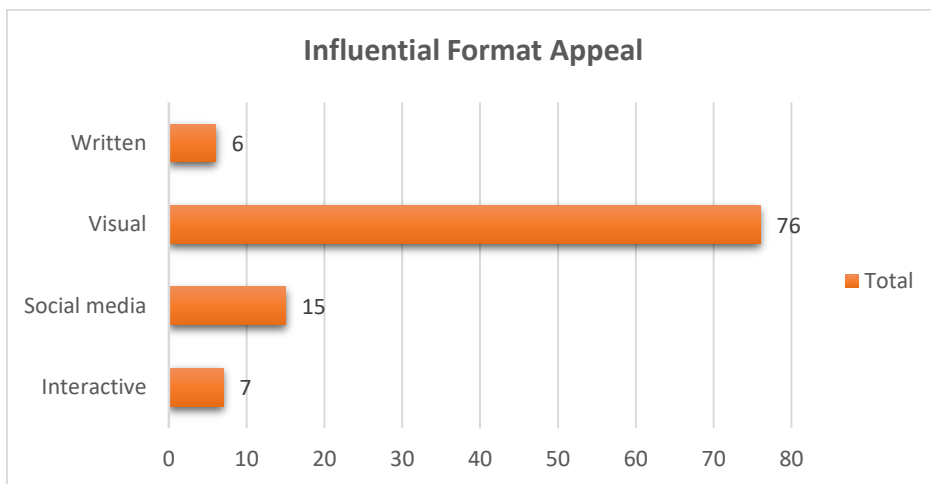


Diagram 3

The diagram reveals that Visual Appeal is the most influential format appeal on Generation Z, with a substantial percentage of 73.1% indicating high response to advertising content that is visually engaging, including images, videos, and other visually appealing elements. Additionally, Social Media Appeal, with a percentage of 14.4%, emphasizing the importance of utilizing social media platforms to reach and engage Generation Z.

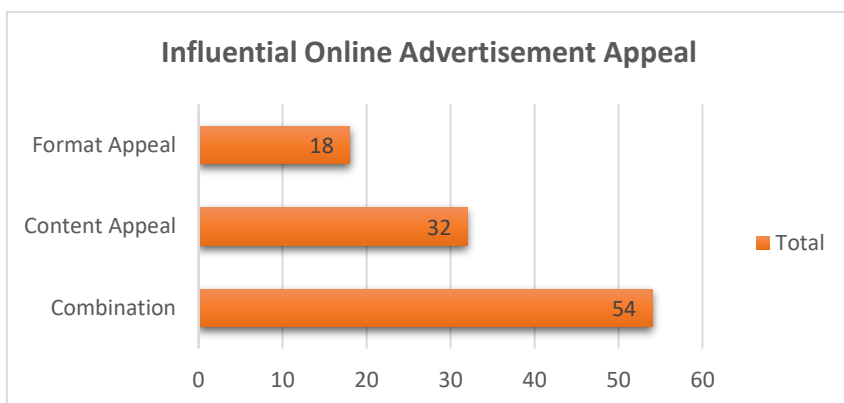


Diagram 4

The data suggests, a combination of Content Appeal and Format Appeal, representing 51.9%, has the most significant influence for Generation Z. By effectively resorting to the visually alluring Rational appeals, more engagement of Generation Z can be sought.

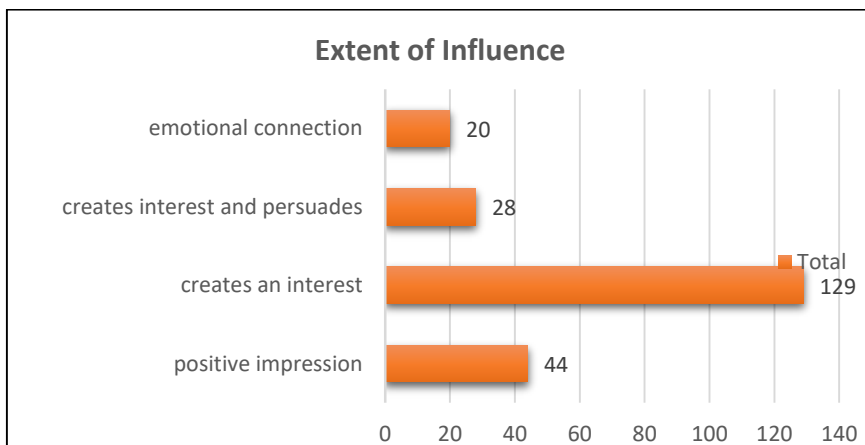


Diagram 5

As indicated by the highest valid percentage of 42.3%, in the diagram, online advertisements primarily exert influence by creating a positive impression. Creating Interest is also a significant factor, with 41.3% of respondents highlighting the importance of generating curiosity or engagement through online advertisements to gain the attention of Generation Z.

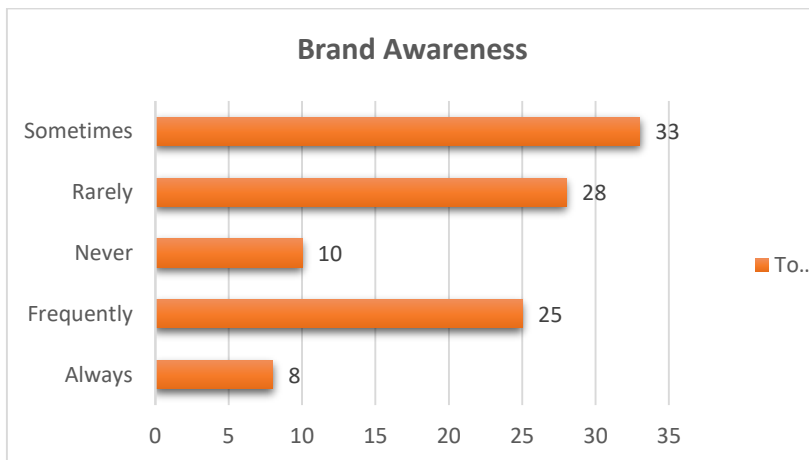


Diagram 6

The data suggests that the majority of Generation Z, fall into the "Sometimes" category, representing 34.6%, indicating the degree of brand awareness. This indicates that a significant portion of respondents occasionally explores or interacts with brands.

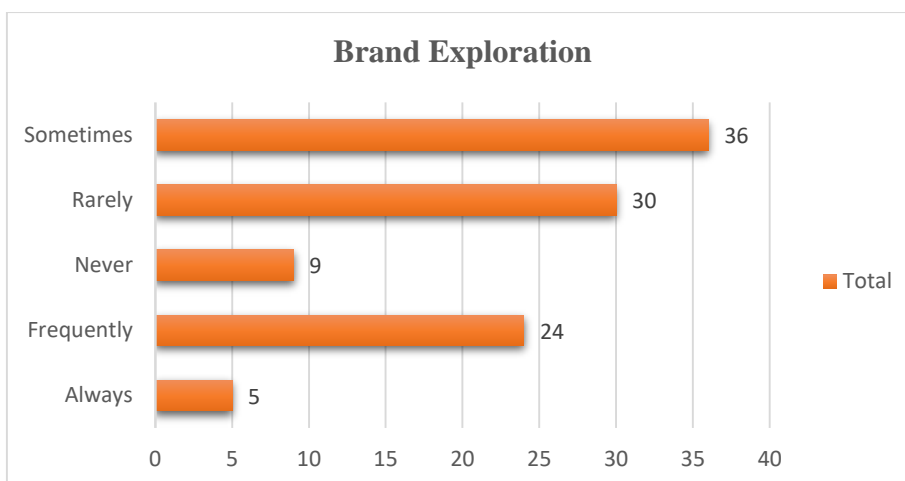


Diagram 7

The data shows a diverse pattern in brand exploration among Generation Z. The most common response suggest that a significant portion of Generation Z engages with brands periodically as most of them falls into the category of "Sometimes," with 34.6%. The "Frequently" category, at 23.1%, indicates that an impressive but smaller proportion proactively explores brands regularly.

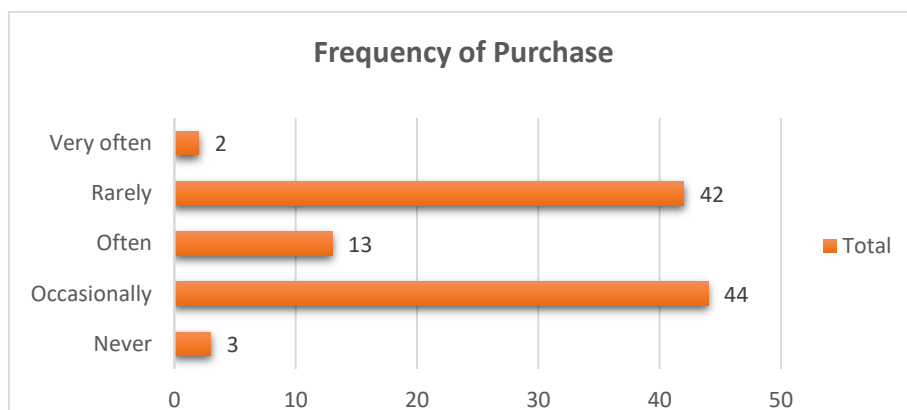


Diagram 8

The data shows that most of the respondents fall into the "Occasionally" category, representing 42.3%. This indicates that they arrive at the balance between active and less frequent buying. Also, a substantial portion of respondents does not make purchases on a regular basis falling into "Rarely" category, with 40.4%, reasons being budget constraints, preferences, or the availability of desired products.

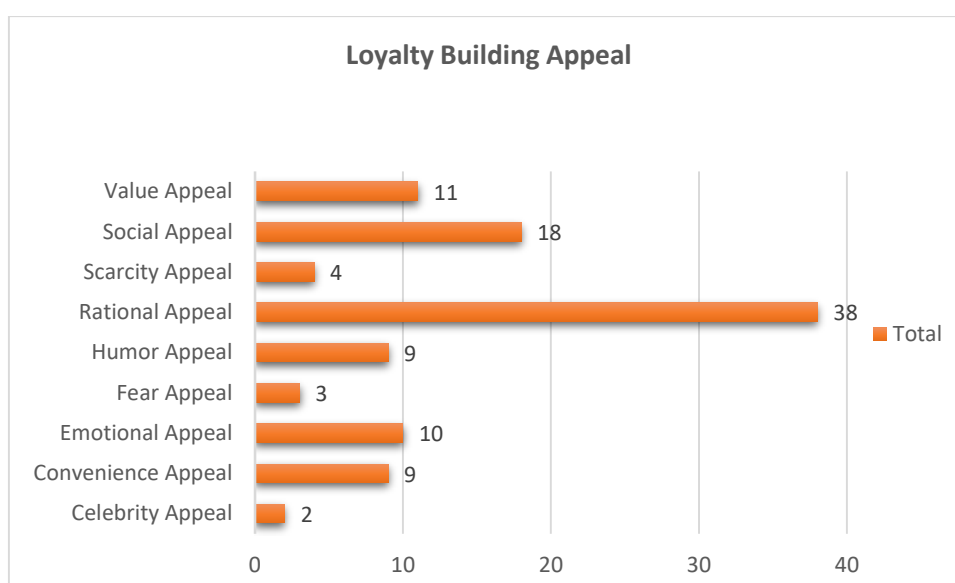


Diagram 9

The diagram suggests that the loyalty can be built among Generation Z, with the Rational Appeal showing a substantial percentage of 36.5%, comprising logical and factual reasons to buy their products or services. Social Appeal and Value Appeal also play significant roles, contributing 17.3% and 10.6%, respectively suggesting that for Generation Z, advertising through social connections and value-based propositions significantly contributes to loyalty- building.

VII. TESTING OF HYPOTHESIS

Hypothesis I

H_0 : There is no association between advertising appeals and the behavior of Generation Z.

H_1 : There is a significant association between advertising appeals and the behavior of Generation Z.

To assess the association between the influence of advertising appeals and Generation Z behavior, the chi-square test of independence is employed, setting the level of significance at 0.05.

Table 1**Chi-Square Tests**

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	39.699 ^a	32	.164
Likelihood Ratio	44.714	32	.067
Linear-by-Linear Association	.219	1	.640
N of Valid Cases	104		

a. 39 cells (86.7%) have expected count less than 5. The minimum expected count is .06.

The Pearson Chi-Square statistic tests the independence between advertising appeals and Generation Z behavior. The obtained value of 39.699 with 32 degrees of freedom yields an asymptotic significance of 0.164 (p-value). Given that the p-value is greater than the commonly used significance level of 0.05, **we fail to reject the null hypothesis. There is insufficient evidence to conclude that there is an association between marketing appeals and Generation Z behavior** based on the Pearson Chi-Square test.

Hypothesis II

H₀: There is no significant difference in the effectiveness in the different types of advertising appeals by E-commerce businesses.

H₁: There is a significant difference in the effectiveness in the different types of advertising appeals by E-commerce businesses.

Even though the Kruskal-Wallis test itself does not assume that the data within each group is reliable or consistent, to enhance the overall credibility and interpretability of the study, the Cronbach's alpha test is used to test the reliability of the primary data collected. According to the standard measures of the test, when the internal consistency is near 1 the value obtained shows greater reliability of data and when it is nearer to 0 it is considered unacceptable.

Table 2**Reliability Statistics**

Cronbach's Alpha	N of Items
.875	9

The calculated value of Cronbach's Alpha is 0.875, indicating a high level of internal consistency among the items comprising the scale. (Refer Table 3)

After assessing the reliability of the measurement scales which is considered an "Excellent" internal consistency, The Kruskal-Wallis test was conducted to examine whether there is a significant difference in the effectiveness of different types of advertising appeals employed by E-commerce businesses.

Test Statistics^{a,b}

	Emotional Appeal	Rational Appeal	Social Appeal	Scarcity Appeal	Fear Appeal	Humour Appeal	Celebrity Appeal	Value Appeal	Convenience Appeal
Kruskal-Wallis H	102.51	101.47	102.62	102.87	100.84	100.067	102.91	103.00	99.88
Df	102	102	102	102	102	102	102	102	102
Asymp. Sig.	.467	.496	.464	.457	.514	.536	.456	.454	.541

a. Kruskal Wallis Test

b. Grouping Variable: Respondednt No

For each type of advertising appeal, the Kruskal-Wallis H statistic and the associated p-value were computed as -Emotional Appeal (0.467), Rational Appeal (0.496), Social Appeal (0.464), Scarcity Appeal (0.457), Fear Appeal (0.514), Humour Appeal (0.536), Celebrity Appeal (0.456), Value Appeal (0.454), and Convenience Appeal (0.541). Across all types of advertising appeals, none of the p-values fell below the conventional significance level of 0.05. Therefore, based on the Kruskal-Wallis test, there is **insufficient evidence to reject the null hypothesis**. It suggests that, at the 0.05 significance level, **there is no significant difference in the effectiveness of different types of advertising appeals employed by E-commerce businesses**.

VIII. CONCLUSION

Generation Z are savvy trend spectators and therefore they should be enticed with adaptive and swift e-commerce methods. The research explores the complex dynamics of appeal, underlining the crucial result oriented functions of “Rational and Visual appeals”. The research also concludes that the balanced mixture of “Format and Content appeals” performs wonderfully in attracting Generation Z. It also provides insights into how to properly engage this dynamic audience by highlighting the artistic temperament that generates “positive interest” and “favourable opinions” about internet advertisements.

The personal preferences of Generation Z are playing crucial role, making it difficult to develop a universal appeal. Also their short attention spans has the fear of lessening the influence requiring the advertising material to be both concise and instantly convincing.

Also Generation Z's preferences are subject to rapid change, making once-unique advertising appeals commonplace very fast.

IX. SUGGESTIONS

Given Generation Z's rapid adoption of trends; businesses need to stay abreast of evolving preferences and promptly adapt to new trends for sustained engagement. E-commerce platforms should prioritize content providing rational and visually engaging elements which can create positive impressions and build interest of Generation Z. To address short attention spans, marketers should ensure advertising appeals are succinct, captivating, and capable of quickly grabbing and retaining attention.

X. REFERENCES

1. Alison Munsch, 2020, Millennial and generation Z digital marketing communication and advertising effectiveness: A qualitative exploration, *Journal of Global Scholars of Marketing Science* 2021, Vol. 31, NO. 1, 10–29
2. Aaron Smith, Monica Anderson, Social Media Use in 2018, Pew research Centre, abstracted from <https://www.pewresearch.org/internet/2018/03/01/social-media-use-2018-methodology/> on 26 Jan 24 at 6:31 pm
3. Alberico Rosario, Ricardo Raimundo, 2021, Consumer Marketing Strategy and E-Commerce in the Last Decade: A Literature Review, *Journal of Therioretical and Applied Electronic Commerce Research*, 16(7), 3003-3024
4. Ayu Alfyya Fathinasari, Hery Purnomo, Poniran Yudho Leksono, 2023, Analysis of the Study of Digital Marketing Potential on Product Purchase Decisions in Generation Z, *Open Access Indonesia Journal of Social Sciences* Vol 6 Issue 5 2023
5. Bascha, Bruce Tulgan and RainmakerThinking, 2013, Meet Generation Z: The second generation within the giant "Millennial" RainmakerThinking, Inc. 125 Lawrence St. New Haven, CT 06511 203-772-2002 www.RainmakerThinking.com
6. Dr. A.P. Singh 2 Jianguanglung Dangmei, UNDERSTANDING THE GENERATION Z: THE FUTURE WORKFORCE, *South -Asian Journal of Multidisciplinary Studies (SAJMS)* ISSN:2349-7858:SJIF:2.246:Volume 3 Issue 3
7. G.s.Sudha, 2005, “Sales and Advertising Management”, RBD Publication.
8. Girish Mude, Swapnil Undale, Social Media Usage: A Comparison Between Generation Y and Generation Z in India, *International Journal of E-Business Research* Volume 19 • Issue 1
9. Henry Bewicke, 2023, Gen Z consumer behavior: What you need to know, retrieved from <https://www.talon.one/blog/gen-z-consumer-behavior-what-you-need-to-know> on 26 Jan 24 at 7:08 pm

- 10.Hanna Holappa, 2023, Emotional Reactions To And Purchase Intentions of Gen Z on Digital Fashion Advertisement, Master's Thesis Marketing, University of Oulu
- 11.H. Arora and Pooja Jain, 2021, Advertising Appeals: A Strategy To Influence Customer Attitude, Vidyabharati International Interdisciplinary Research Journal, 13(1) 433-444
- 12.Joseph, 2015 E-Commerce -An Indian Perspective, Chapter 1, pg.6).
- 13.Kristen McCormik, 2023, retrieved from the blog on <https://www.wordstream.com/blog/ws/2023/02/24/digital-advertising> on 6th Feb.23 at 7:44 pm
- 14.Ljupka Naumovska, 2017, Marketing Communication Strategies for Generation Y – Millennials, Business Management and Strategy ISSN 2157-6068 2017, Vol. 8, No. 1
- 15.Lotia, H. (2022) Watch & Buy: The Key Determinants That Influence Gen Z's Consumer Journey through Online Video Advertisements. Master's thesis, Dublin Business School.
- 16.M. Thirumagal Vijaya, S. M. Yamuna, B. Chitra, Gen Z versus Millennials purchase intentions: A comparative study based on social media marketing strategies, in India, © Henry Stewart Publications 2054-7544 (2023) Vol. 9, 1 1–17 Applied Marketing Analytics 1
- 17.Monica Aldea, WordStream, New Data!18Gen Z Characteristics& Stats, retrieved from <https://www.wordstream.com/blog/ws/2022/08/09/gen-z-stats> on 26 Jan 24 at 6:58 pm
- 18.Pearlstein, J. (2017), “Engaging generation Z: marketing to a new brand of consumer”, derived from: <https://www.adweek.com/digital/josh-pearlstein-response-media-guest-post-generation-z/> on 26 Jan 2024 at 4:53pm
- 19.Shaheema Hameed, Meera Mathur The New Generation Z in Asia: Dynamics, Differences, Digitalisation, ISBN: 978-1-80043-221-5, eISBN: 978-1-80043-220-8
- 20.Sachin Verma, 2024), (The Economic Times, Major e-commerce trends that can reshape the industry in 2024, retrieved from <https://economictimes.indiatimes.com/industry/services/retail/major-e-commerce-trends> on 30 Jan 24 at 5: 48 pm.)

XI. ANNEXURES

Table 2

Cronbach alpha Value	Internal Consistency
a ≥ 0.9	Excellent
a ≥ 0.8	Good
a ≥ 0.7	Acceptable
a ≥ 0.6	Questionable
a ≥ 0.5	Poor
below 0.5	Unacceptable