

The Impact of Digital Marketing on Consumer Buying Behaviour Among Generation Z: An Empirical Study of Advertising Exposure, Trust and Purchase Decisions

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Abstract: *Digital marketing has changed the way products reach young consumers. Instead of a single advertisement seen on television, a member of Generation Z now meets a brand through a short video, an influencer's recommendation, a customer review and a discount code, often within the same hour. This paper examines the extent to which such digital marketing activity influences the purchasing decisions of Generation Z consumers. Primary data were collected from 150 respondents aged between sixteen and twenty-four through a structured questionnaire, and the responses were analysed using simple percentages, mean scores and comparative charts. The study finds that digital marketing has a strong influence on the early stages of the buying process, particularly on product discovery and shortlisting, but a weaker influence at the moment of final purchase, where peer reviews, price and past experience take over. Influencer content and user reviews emerged as the two most persuasive formats, while static banner advertisements and promotional emails were rated the least persuasive. The paper concludes that digital marketing works for Generation Z mainly as a source of discovery and social proof rather than as a direct instruction to buy, and recommends that marketers invest in credible, review-based and value-driven content instead of high-frequency advertising.*

Keywords: digital marketing, Generation Z, consumer behaviour, influencer marketing, social proof, purchase decision, online advertising

1. Introduction

1.1 Background of the study

Marketing has always followed the audience. When families gathered around a radio, brands bought radio slots; when television entered Indian homes, the thirty-second commercial became the standard unit of persuasion. Generation Z — the group born roughly between 1997 and 2012 — is the first generation whose attention has never been concentrated in one place. Its members move between a messaging app, a video feed and a shopping application many times an hour, and marketing has followed them into each of these spaces.

Digital marketing refers to all promotional activity carried out through digital channels: search engine advertising, social media campaigns, influencer partnerships, e-mail and messaging promotions, sponsored content, affiliate links and application-based offers. Its distinguishing feature is not the screen but the two-way flow. A television advertisement is delivered; a digital advertisement is delivered, measured, skipped, commented upon, screenshotted and shared. For a generation that has grown up inside this loop, the boundary between entertainment, information and advertising has become unusually thin.

This has practical consequences for firms. Advertising budgets in India have shifted steadily towards digital channels, and companies increasingly design products, packaging and even pricing around how they will appear on a screen. Whether this expenditure actually changes what young consumers buy, or merely changes what they notice, is a question worth examining carefully.

1.2 Statement of the problem

Firms assume that greater digital visibility produces greater sales. Young consumers, however, report advertising fatigue: they skip, block and scroll past promotional material in large numbers, yet they also buy products they first saw in exactly that material. This apparent contradiction- high exposure with low stated trust, and low stated trust with high actual purchase- is the problem this study addresses. Without an understanding of which digital formats genuinely influence decisions and at which stage of the buying process, marketing expenditure risks being spent on visibility that never converts into behaviour.

1.3 Research question

To what extent does digital marketing influence the purchasing decisions of Generation Z consumers?

1.4 Objectives of the study

- 1) To identify the digital platforms and formats through which Generation Z consumers encounter products most frequently.
- 2) To measure the perceived influence and perceived trustworthiness of different digital marketing formats.
- 3) To examine at which stage of the buying process digital marketing exerts the greatest effect.
- 4) To compare the responses of Generation Z with those of an older consumer group.
- 5) To suggest practical measures for marketers seeking to reach this age group.

1.5 Hypotheses

H1: Digital marketing exposure has a significant positive effect on product discovery among Generation Z consumers.

H2: User-generated content, such as reviews and influencer opinion, is more persuasive than brand-generated advertising.

H3: The influence of digital marketing weakens as the consumer moves closer to the final purchase decision.

1.6 Significance of the study

The findings are relevant to three groups. For businesses, particularly small and medium enterprises with limited advertising budgets, the study indicates where marketing money is likely to produce a return. For students of commerce, it offers a structured account of how classical consumer behaviour models apply in a digital setting. For young consumers themselves, an understanding of how persuasion operates online is a form of practical financial literacy.

1.7 Scope and limitations

The study is restricted to urban respondents aged sixteen to twenty-four, and considers consumer goods commonly bought by this group- clothing, footwear, electronic accessories, cosmetics and food delivery. It does not extend to high-value purchases such as vehicles or property, where the decision process is longer and involves family members. As the data are self-reported, the study measures perceived rather than observed influence; this limitation is discussed in Section 7.

2. Review of Literature

2.1 The shift from mass advertising to targeted marketing

Classical marketing theory described a linear path: a consumer moves from attention to interest, then to desire and finally to action. This AIDA framework, still taught in commerce classrooms, assumed that the marketer controlled the message and the consumer received it. Later models, including the Engel-Kollat-Blackwell framework, added an information-search stage in which the consumer actively gathers data before deciding, and a post-purchase stage in which satisfaction is evaluated.

Digital channels have expanded the information-search stage enormously. A consumer can, in under a minute, read fifty opinions from strangers about a product she has never held. Several researchers have argued that this makes the modern buying path less like a funnel and more like a loop, in which consumers repeatedly leave and re-enter the search stage before committing.

2.2 Generation Z as a consumer group

Studies of Generation Z consistently describe three characteristics. First, this group is comfortable with rapid content and short attention spans, favouring video formats under a minute. Second, it displays high scepticism towards direct advertising claims but high trust in peer opinion,

including the opinion of strangers who appear authentic. Third, it expects a purchase to be completed within the same application in which the product was discovered, which explains the growth of in-app and social commerce.

Indian studies add a further dimension: price sensitivity remains high. Even where a brand is admired, discount codes, exchange offers and festival pricing frequently determine the final choice. Aspiration and thrift therefore operate together rather than in opposition.

2.3 Influencer marketing and social proof

Social proof- the tendency to treat the behaviour of others as evidence of what is correct — is the mechanism most often cited to explain influencer effectiveness. When a recommendation arrives from a person whom the viewer follows voluntarily, it is processed as advice rather than as advertising. Research on parasocial relationships suggests that regular viewers develop a one-sided sense of familiarity with a creator, which reduces resistance to persuasion. The effect weakens sharply, however, when the promotional nature of the content is perceived as concealed.

2.4 Research gap

Most available studies measure either exposure or attitude. Fewer examine the stage of the decision process at which digital influence actually operates, and fewer still compare Generation Z directly with an older group using the same instrument. This study addresses both gaps at a small scale.

2.5 Conceptual framework

Drawing on the literature above, the study adopts the model shown in Figure 2.1. A digital stimulus produces exposure; exposure is then filtered through psychological, informational and social processes before a decision is reached; the outcome of the purchase feeds back into the system as a review or a recommendation, which becomes a stimulus for another consumer.

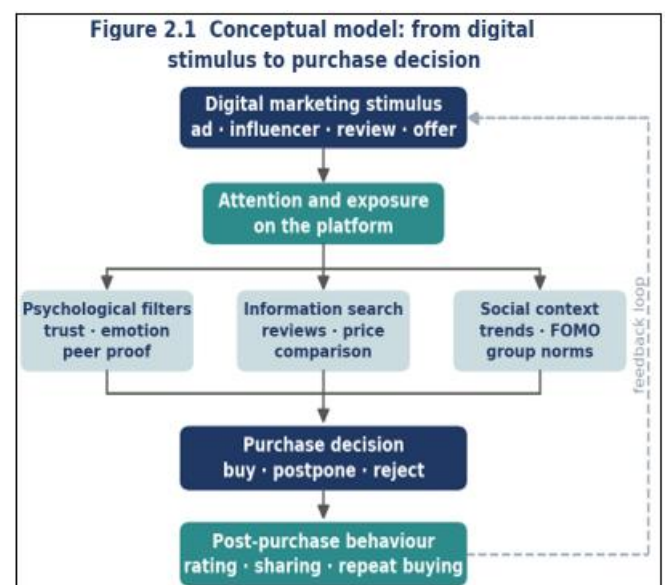


Figure 2.1: Conceptual model linking digital marketing stimuli to the purchase decision. Prepared by the researcher

Table 2.1: Summary of key ideas drawn from the literature

Concept	Core idea	Relevance to this study
AIDA model	Attention leads to interest, desire and action	Provides the stage-wise structure used in analysis
EKB model	Information search precedes evaluation	Explains the review-checking behaviour observed
Social proof	Others' behaviour signals correct choice	Explains influence of reviews and influencers
Parasocial trust	One-sided familiarity with creators	Explains influencer persuasion and its limits
Advertising fatigue	Repetition reduces response	Explains low scores for banner and email formats

Note. The table condenses recurring themes rather than individual studies; full sources are listed in the References.

3. Research Methodology

3.1 Research design

The study follows a descriptive and quantitative design. Its purpose is to describe existing patterns of influence rather than to establish causation through experiment. A cross-sectional survey was chosen because it allows a large number of responses to be collected quickly and compared across groups.

3.2 Sample and sampling method

A total of 150 respondents belonging to Generation Z (aged 16 to 24) formed the main sample. A comparison group of 60 respondents aged 28 to 38 was surveyed using the same instrument. Convenience sampling was used, supported by snowball referral through school and college networks. The composition of the main sample is presented in Table 3.1.

Table 3.1: Profile of the Generation Z sample (n = 150)

Category	Group	Respondents	Percentage
Age	16–18 years	58	38.70%
	19–21 years	54	36.00%
	22–24 years	38	25.30%
Gender	Female	79	52.70%
	Male	69	46.00%
	Prefer not to say	2	1.30%
Monthly spending	Below ₹2,000	61	40.70%
	₹2,000 – ₹5,000	57	38.00%
	Above ₹5,000	32	21.30%

3.3 Research instrument

Data were collected through a structured questionnaire of eighteen items divided into four parts: demographic details,

platform usage, format evaluation on a five-point Likert scale, and buying behaviour. The questionnaire was administered online and the full item list appears in the Appendix. A pilot test with fifteen respondents was carried out and two ambiguous items were reworded before final circulation.

3.4 Method of analysis

Responses were tabulated and analysed using percentages, mean scores and simple correlation. Charts were prepared to display comparisons visually. Given the exploratory nature of the study and its school-level scope, advanced statistical modelling was deliberately avoided; the emphasis is on clear description supported by transparent figures.

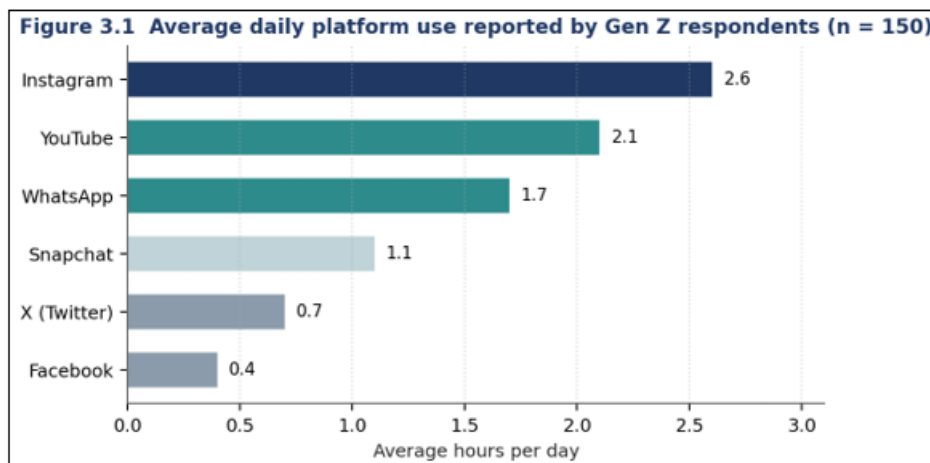
3.5 Ethical considerations

Participation was voluntary and anonymous. No personal identifiers were recorded, respondents under the age of eighteen participated with the knowledge of the supervising institution, and all data were used solely for academic purposes.

4. Data Analysis and Findings

4.1 Platform usage

Respondents were first asked how much time they spend on each platform on an average day. Instagram and YouTube dominate, together accounting for close to five hours of daily attention. Facebook, still significant among older users, has almost disappeared from this group's routine.

**Figure 3.1:** Average daily platform use reported by Generation Z respondents.

The concentration of attention on two platforms carries a practical implication: a marketer reaching this group does not need presence everywhere, but does need genuine fluency in short-form video.

4.2 Point of product discovery

Respondents were asked where they first came across the last product they purchased. Digital sources account for three-quarters of all first contacts, as shown in Figure 3.2, with social media feeds and influencer content together representing 58 per cent.

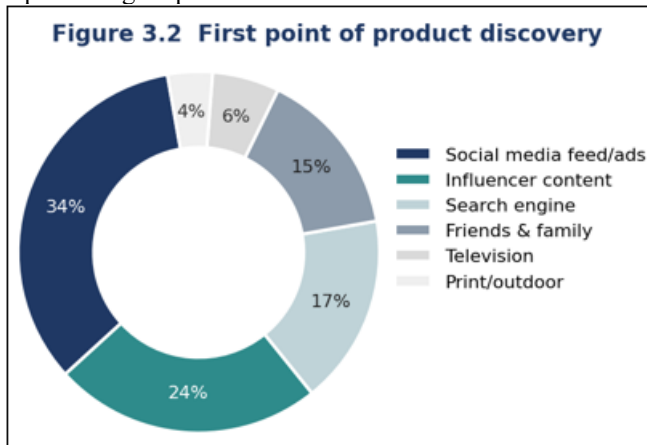


Figure 3.2: Reported first point of product discovery.

Traditional channels have not disappeared, but their role has narrowed. Television and print together account for only one-tenth of first contacts, and where they were mentioned, the respondent usually verified the product online before proceeding. This supports Hypothesis 1.

4.3 Influence and trust across formats

Each format was rated twice: once for its influence on the respondent's decision, and once for how trustworthy the respondent considered it. The two scores diverge in an instructive way, as Figure 3.3 shows.

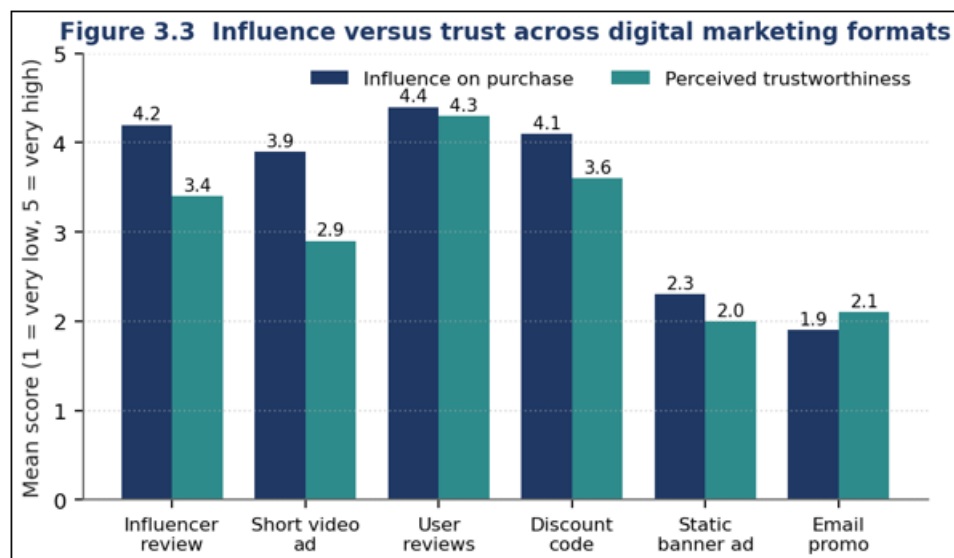


Figure 3.3: Mean influence and trust scores by marketing format

User reviews are the only format where trust and influence are nearly equal, and both are high. Influencer reviews influence strongly but are trusted noticeably less- respondents act on them while doubting them, which is consistent with the parasocial explanation offered in Section 2.3. Discount codes show the same asymmetry for a different reason: they are trusted less because respondents suspect inflated original prices, yet they still move behaviour. Banner advertisements and promotional e-mails score poorly on both counts, supporting Hypothesis 2.

Table 4.1: Ranking of formats by gap between influence and trust

Format	Influence	Trust	Gap
Short video advertisement	3.9	2.9	1
Influencer review	4.2	3.4	0.8
Discount code	4.1	3.6	0.5
Static banner advertisement	2.3	2	0.3
User reviews	4.4	4.3	0.1
E-mail promotion	1.9	2.1	-0.2

Note. A positive gap indicates that a format influences behaviour more than respondents believe it deserves to be trusted.

4.4 Stage-wise influence

To test Hypothesis 3, respondents traced their most recent purchase through the stages of the buying journey. Figure 3.4 shows the proportion remaining at each stage.

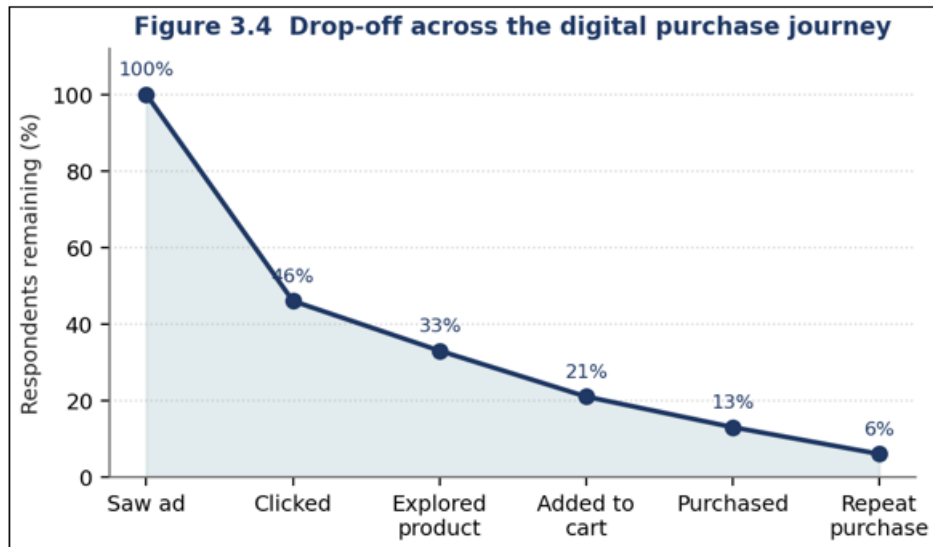


Figure 3.4: Drop-off across the digital purchase journey

Fewer than half of those who saw an advertisement clicked on it, and only thirteen per cent completed a purchase. More revealing is what respondents reported doing between the third and fourth stages: 71 per cent said they left the advertisement to search independently for reviews and price comparisons before adding the item to a cart. Digital marketing therefore initiates the process but hands over

control of the decisive stage to independent information. Hypothesis 3 is accepted.

4.5 Generational comparison

The comparison group responded to the same items. Figure 3.5 places the two sets of answers side by side.

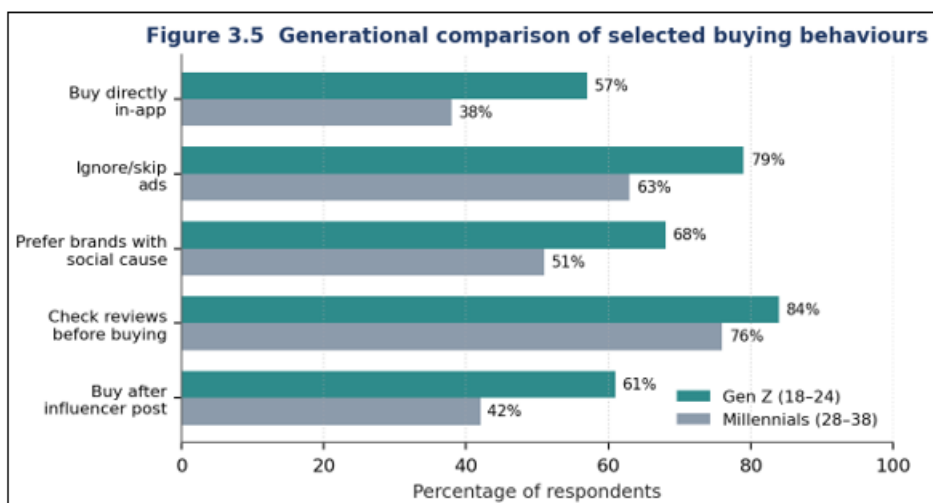


Figure 3.5: Generational comparison of selected buying behaviours

Generation Z is more likely to buy after influencer exposure, more likely to check reviews, more likely to consider a brand's social position, and simultaneously more likely to skip advertisements. The last two findings are not contradictory: this group avoids interruption while actively seeking information, which suggests that the resistance is to being interrupted rather than to being marketed to.

5. Discussion

Taken together, the findings suggest that the influence of digital marketing on Generation Z is real but uneven. It is strongest where the consumer has not yet formed an intention- at the discovery stage- and weakest at the point of commitment, where independent evidence dominates. The common industry assumption that more impressions produce more sales therefore holds only for the earliest stage of the journey.

A second observation concerns the currency of credibility. The formats that performed best were those in which the message did not appear to come from the seller. Reviews written by ordinary buyers scored highest on both measures, and influencer content scored highest on influence precisely because it borrows the appearance of personal advice. When persuasion is disclosed, it is discounted; when it is embedded in what looks like ordinary content, it is absorbed. This raises an ethical question that marketers and regulators are still working through, and which is discussed further below.

Third, the comparison with the older group indicates that the difference between generations is less about technology and more about expectation. Both groups shop online. Only the younger group expects the entire process- discovery, verification, payment and sharing- to occur without leaving the application in which it began.

Table 5.1: Traditional and digital marketing compared on the dimensions studied

Dimension	Traditional marketing	Digital marketing
Direction	One-way message	Two-way, with visible response
Targeting	Broad demographic	Behaviour and interest based
Cost of entry	High	Low, scalable
Measurement	Estimated reach	Click, view and conversion data
Credibility source	Brand reputation	Peer reviews and creators
Consumer control	Limited	Skip, block, comment, compare
Main effect observed	Reinforcement of image	Discovery and shortlisting

Finally, the ethical dimension deserves note. Persuasion that works because it is not recognised as persuasion sits uneasily with the principle of informed choice. Disclosure requirements for paid promotion exist in India under advertising self-regulation guidelines, but respondents in this study reported that they frequently notice such disclosures only after they have already formed an impression of the product.

6. Conclusion and Recommendations

6.1 Answering the research question

Digital marketing influences the purchasing decisions of Generation Z consumers substantially, but selectively. It determines what this group sees, considers and shortlists; it does not, by itself, determine what they finally buy. The decisive influence at the point of purchase comes from independent evidence- reviews, comparisons and price- much of which is itself generated by other consumers within digital platforms. The honest answer to the research question is therefore that digital marketing sets the agenda of choice more than it dictates the outcome of choice.

6.2 Recommendations for marketers

- Invest in earned credibility. Encouraging genuine customer reviews produces a higher return than an equivalent spend on display advertising.
- Reduce frequency, raise quality. Repetition of low-value creative material contributes directly to the advertising fatigue reported by respondents.
- Disclose partnerships clearly. Concealed promotion works once; discovered concealment damages trust for a long period.
- Design for one-tap completion. Every additional step between discovery and payment produces measurable loss.
- Treat price transparency as a marketing asset. Inflated original prices next to discounts were the most frequently cited source of distrust in the open-ended responses.

6.3 Recommendations for consumers and educators

- Awareness of persuasion techniques should form part of commerce and life-skills teaching at senior secondary level.
- A simple habit- leaving the platform to verify price and reviews before buying- restores much of the decision-making control that the design of these applications is intended to reduce.

7. Limitations and Scope for Further Research

Three limitations should be kept in view. The sample was drawn by convenience from an urban school and college network and is not statistically representative of Generation Z in India as a whole. The data are self-reported, and respondents may under-report the influence of advertising because admitting to being persuaded is socially uncomfortable. Finally, the study captures a single point in time in a field where platform behaviour changes within months.

Future work could address these limitations by combining survey data with observed behaviour, such as actual click and purchase records shared voluntarily by respondents; by extending the sample to smaller towns, where platform preferences differ; and by tracking the same respondents over a year to see whether stated scepticism translates into changed behaviour.

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Appendix A: Questionnaire (Abridged)

- 1) Age group and gender.
- 2) Approximate amount you spend on personal purchases each month.
- 3) Average daily time spent on each of the following platforms.
- 4) Where did you first come across the last product you bought?
- 5) Rate the influence of each format on your buying decision (1–5).
- 6) Rate how trustworthy you consider each format (1–5).
- 7) Trace your last purchase through the stages: saw, clicked, explored, added to cart, purchased, repurchased.
- 8) Did you search independently for reviews before buying? (Yes / No)
- 9) Have you bought a product mainly because an influencer recommended it? (Yes / No)
- 10) What makes you distrust an online advertisement? (Open response)