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Features of the influence of digital marketing on consumer behavior of generation Y/Z in Kazakhstan

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ABSTRACT

The article is devoted to the evolution of consumer behavior under the influence of digital marketing technologies. Theoretical approaches to the study of consumer behavior are investigated. The factors of the digital environment that influence the behavior of customers are highlighted. Significant influence of digital marketing on consumer behavior has been noted. The mechanism of influence of modern digital marketing technologies on changes in customer behavior has been studied. The connection between the sharing economy and changes in consumer behavior is noted. The directions of the negative impact of technological changes on the behavior of generation Z and Y customers and the emerging demand for them are studied.

L'articolo si pone l'obiettivo di studiare l'evoluzione del comportamento dei consumatori sotto l'influenza delle tecnologie di marketing digitale. Vengono studiati gli approcci teorici allo studio del comportamento del consumatore. Vengono evidenziati i fattori dell'ambiente digitale che influenzano il comportamento dei clienti. È stata notata un'influenza significativa del marketing digitale sul comportamento dei consumatori. È stato studiato il meccanismo di influenza delle moderne tecnologie di marketing digitale sui cambiamenti nel comportamento dei clienti. Si nota la connessione tra l'economia della condivisione e i cambiamenti nel comportamento dei consumatori. Vengono studiate le direzioni dell'impatto negativo dei cambiamenti tecnologici sul comportamento dei clienti della generazione Z e Y e la domanda emergente per loro.

Keywords: Digitalization, customer behavior, technologic digital marketing, generation Y/Z.

1 – Introduction

The Internet plays an important role in our daily life. Online shopping is widely recognized as a way to purchase products and service (Bourlakis, Papagiannidis and Fox, H, 2008). It also provides the consumer with more information and allows comparison of product and price, more choice, convenience. It eliminates the need to visit many stores and even allows you to make a purchase in another country (Butler and Peppard, 1998). Digital technologies have firmly

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entered the life of not only the younger generation, but also those born in the period 1981-1996. The digital format of interaction between companies and customers reduces the operating costs of the company by, the digital format of interaction between companies and customers reduces the operating costs of the company by 20% and increases customer satisfaction by 20-30% (Yu and Wu, 2007; Striy, 2021).

There is a process that can be called the rationalization of consumer behavior. The theory of consumer choice suggests that the consumer seeks to maximize utility, while equilibrium is reached. But wide access to information today gives the consumer much more opportunities in this regard, and utility maximization occurs at a higher level of utility satisfaction. The market is becoming consumer-oriented to a much greater extent than it was 20-30 years ago. Moreover, the simplification of the interaction between the consumer and the manufacturer due to the possibilities of information technology creates the prerequisites for shifting the interests of the consumer from the long term to the short term. In the conditions of increasing consumer awareness, the possibility of making flexible and adequate decisions at the moment increases, which must be taken into account when developing forecasts regarding consumer behavior. Thus, consumer behavior in the context of information technology is more consistent with the orthodox model of "homo economicus" with its unlimited cognitive abilities, since the potential possibilities of rationality turn into real behavioral functions under the influence of new digital technologies.

The abundance of digital and information technologies creates an ambiguous situation for the consumer trying to make his choice: both positive and negative aspects.

2– Literature review

To better understand the difference between behavioral patterns, purchasing behavior and the impact of technology on them, it is important to define the boundaries between generations.

Generation Y are people born between 1983 and 2003. Events that formed values: the collapse of the USSR, terrorist attacks and military conflicts USSR, the development of digital technologies, mobile phones and the Internet are their usual reality. The Age of Brands (Zvereva, 2018). Y-s mostly grew up in an environment of constantly changing events in all spheres of life, so for them there is no concept of stability, they are less focused on getting high fees according to Larisa Pautova (2022), Doctor of Sociology, Project Director of the Public Opinion Foundation. The world for gamers is interactive, as they are constantly surrounded by technologies that change at a rapid pace, which are already increasingly difficult to keep track of (Schreckinger, 2014).

Millennials make all decisions very quickly, because they are afraid that another opportunity may not present itself. We also note that life in a dynamic world has caused millennials to be prone to fast consumption and the desire to instantly achieve high results (Twenge, 2018). Generation Y is not characterized by a long decision-making process (Karyakina, 2010).

Generation Z (Generation M, Net Generation, Internet Generation) is a kind of transitional generation from the 20th century to the 21st century, was born between 1996 to mid-2000s which makes 32% of the global population. Still influenced by the Millennium generation, but at the same time, its own features are being formed (Zapier Editorial Team, 2020).

These are the children of multimedia technology. This is the generation born in the information society. The Zs are "connected" through things like the internet in general,

YouTube, mobile phones, and in this Generation Z is becoming synonymous with the term Digital Native. The parents of Z children are called "Digital Immigrants", since in their childhood most of this was not there.

They are more dependent on digital technologies (Ratinder, 2021). They are impatient and focused mainly on short-term goals, while they are less ambitious than children from previous generations.

Population of generation Z who were born after 1996 going to reach 472 million in 2019 (Francis, 2018). They are born in the age of digital era where they can find any information through technology.

The development of digital technologies has made them a generation that grew up in a digital environment - they receive almost all information from the Web. Unlimited access to information gives them confidence in their views, which are not always correct. People of this generation are distinguished, first of all, by the maximum proximity to information, with which they can work perfectly both for personal purposes and at work (Ozhiganova, 2015).

They are a generation of savvy consumers who are indifferent to brands, who know what they want and how to get it. Therefore, companies need to involve Internet marketing and digital technologies to communicate with the generation.

And here it must be added that the majority of the new generation subject to manipulative influence will become "slaves of public opinion", more precisely, slaves of the Internet. From the net, they will draw samples of how to dress, how to behave, how to live correctly in general (Twenge J. M., 2018).

According to Kingsnorth (2019) digital marketing is one of the most powerful tools which changes consumer behavior. Digital marketing is an integrated approach to promoting goods or services through the use of digital technologies. The most important task of popular marketing is to increase sales through digital tools and increase brand awareness in order to reach the meeting and attract new customers (Bowden, 2020).

In the modern world, a whole marketing campaign is built around the consumer. So, bright, intriguing, attention-grabbing advertising is not only on billboards, bean boxes and magazines, but also in our smartphones, laptops, and electronic watches. These can be either QR codes on flyers that are issued near a new cafe or store, or targeted advertising on Instagram or Tik-Tok. At present, the digital environment has completely changed the attitude of consumers and companies to advertising, more and more organizations are resorting to digital marketing tools to retain their target audience. Thus, it can be argued that with the development of digital technologies, digital marketing tools and channels have become the most effective in comparison with outdated ways to convey brand information to the consumer.

In basic marketing, there is a theory of generations (Y, Z), which states that consumers in different age categories have different preferences, habits, and values, but they also have common ideals, moral principles, etc. So, for example, for the younger generation (Generation Z) it is important that the product or service that he acquires corresponds to his perception of the world, carries social significance. According to data compiled in 2019 by Piper Sandler, teenagers are spending much less money on shopping (Piper, 2019).

3 – Research methodology

In scientific judgments, connections are established between objects, phenomena or between their specific features. In scientific conclusions, one judgment proceeds from another; on the

basis of already existing conclusions, a new one is made. There are two main types of inference: inductive (induction) and deductive (deduction).

Induction is a conclusion from particular objects, phenomena to a general conclusion, from individual facts to generalizations. Deduction is a conclusion from the general to the particular, from general judgments to particular conclusions.

Both methodologies will be used in this article.

4 – Discussion

4.1 – It has become more difficult for companies to capture the attention of consumers

Digital technology has negative impact on consumer behavior comparing with traditional ways of advertising. Consumers have been able to use widely digital technologies in all spheres of modern life, which has led to a sharp increase in awareness of the characteristics and prices of goods and services in real time (Kazybayeva and Pak, 2021). In 2000 about 30 percent of people in developing countries lived in extreme poverty, compared with less than 15 percent today. In 2000, 12% of people had mobile phones; now more than 60% do it [10]. Thanks to the widespread use of digital technologies in all areas of modern life, consumers have become exceptionally good researchers when it comes to making a purchase decision (Fishbein and Ajzen, 2011; Akhter, 2007).

They are gaining more information and knowledge as technology empowers them to be critical in their online decision making. Ordinary shoppers who used to visit the first store they come across now search online for products the day before visiting a brick-and-mortar store, read reviews from other customers, evaluate prices, shipping, and similar products.

Consequently, consumer engagement becomes much more difficult to secure. Consumers are spending more and more time on social media platforms, with limited hours during the day for a plethora of social apps, content, things to keep an eye on and personalized ads. The attention span of social media users is shrinking year after year and they are filtering their feeds. This is especially true for generation Z, which, unlike generation Y, is not characterized by impulsive purchases. If earlier, without technology, buyers relied on such factors as availability and presence in magazines / newspapers when choosing a product, now companies need to conduct market analyzes, the behavior of each generation in social networks, which greatly complicates the work of the company.

4.2 – Internet marketing costs become a negative factor for the company

Due to the influence of digital marketing on consumer behavior, customers are more demanding of online shopping and digital purchases, so the need for a strong presence in e-commerce with smooth and secure payment methods, fast shipping and a clear return policy that ensures consumer rights has essential to the survival of the business (Hsu, Chang and Chen, 2011;). Using such services for making payments, cyber security and maintaining the operation of an online store is a very costly part of the work of the company in general (Redmond, 2017).

4.3 – The risk of cyber-robbery for buyers

Online shopping is faster and more convenient than traditional shopping. But there are more risks: the chance of meeting cybercriminals is many times higher than real robbers. Generation

Y is more at risk, as they are less familiar with and follow the changes and trends in the world of technology. Generation Z, in turn, is more attentive to online technologies. In 2020, fraudsters stole 1.5 times more money from cards than in 2019. For consumers, this is a strong barrier to entering the world of online shopping (Končar *et al.*, 2021).

4.4 – Loss of customer loyalty

In terms of customer loyalty, digital marketing has affected consumer behavior. Due to the active use of digital technologies, consumers tend to be less loyal to a particular brand (Maldynova, 2021, 2022). Before the digital marketing revolution, consumers always preferred to stick with familiar products and brands. This was due to the fact that they were not familiar with the wide range of products and services they are today.

Currently, customers are looking forward to products that will offer them better value for money. Not only that, they even take other factors into account; for example, customer support, brand value, discounts, and more. They show less hesitation when moving from familiar brands to completely new ones.

4.5 – Difficulty in maintaining the reputation of the company.

With the development of technology, consumers have become noticeably impatient as their expectations for fast and efficient service have risen significantly, many times over. They get sincere and real feedback about products and services through online user reviews and forums. Unsatisfactory services and amenities that are out of pace are unacceptable. When consumers don't get what they were promised, they express their frustration in public forums, which negatively impacts the brand's online reputation. The main difficulty is the impossibility of assessing the correctness of reviews and comments (Laroche, 2010).

5 – Conclusion

Applied contribution for business: based on the data in the above article, you can draw up a plan for dealing with objections and barriers for buyers to enter the market. Technology will evolve at an exponential rate, so a company cannot afford to ignore the impact of digital technology on consumer purchasing behavior.

Each of the above negative factors has a solution algorithm. The struggle for the attention of consumers (mostly generation Z) - increasing marketing budgets, conducting analytics of the buyer's behavior of the audience and analyzing the market and competitors will win the attention of consumers.

The high level of costs both for digital marketing and for security systems and support for the operation of services can be reduced due to the optimization of business processes and a clear understanding of the job responsibilities of each employee. For buyers, the main barrier is the fear of using technology. The only way to resolve this issue is to strengthen the security systems for guests and work with the client to maintain loyalty. The speed of decision-making is directly related to 2 factors - the reputation of the company and the presence of competitors (Cescon and Garlatti, 2020).

Now it is critically important for companies to work with the opinion of customers, if previously they ignored reviews, now any opinion can be voiced online and this can both

strengthen and destroy the reputation of the company, it all depends on the generation of consumers.

In comparison, every generation is influenced by technology in one way or another, but for companies looking to advance, this opens a huge number of opportunities.

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