ONLINE MARKETING COMMUNICATION AS A KEY TOOL TO CAPTURE THE ATTENTION OF GENERATION Z

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Abstract:
Research background: Currently, online marketing communication represents a modern marketing approach, which is an important means of gaining a competitive advantage. Its field is versatile, suitable for any type of business and for achieving a wide range of goals. Trends in this area are subject to rapid changes and, in addition to the need for knowledge, require continuous optimization of marketing campaigns depending on current customer requirements. Among all consumers generations, it is Generation Z that represents one of the target segments for online marketing communication and that mostly via social media.

Purpose of the article: Based on the above mentioned, the main aim of the paper is to analyse the use of online marketing communication in Slovak conditions, and its perception by Generation Z. This includes providing the theoretical background and analysis of the online marketing communication from the viewpoint of Slovak and foreign authors. The important source for secondary data was scientific research, annual companies report, statistical databases, published professional publications.

Methods: In order to found out the perception of the online marketing communication from the perspective of Generation Z, a questionnaire survey was conducted. For determination the sample size, the base file representing number of populations from Generation Z was obtained from demographic statistics of the Statistical Office of the Slovak Republic. General scientific methods (i.e., excerption, description, comparative analysis, deduction and induction) were used for data processing, as well as mathematical and statistical methods in the evaluation of data from the survey.

Findings & Value added: In order to achieve the main goal of the paper, based on the theoretical background and survey results, research hypotheses were formulated and subsequently verified. Finally, based on the analysis and results of the questionnaire survey, benefits of the application of online marketing communication as a key tool to capture the attention of Generation Z were highlighted.

Keywords: online marketing; online marketing communication; social media; influencer marketing; Generation Z

JEL Classification: M31; M37
1. Introduction

Online marketing initially began when Gary Thuerk delivered the first marketing emails to 320 individuals in 1978. Since then, due to the development of technology, online marketing has undergone significant changes and today it's increasingly used as a tool for marketing communication of many companies (Oetjen, 2019). Worldwide, online advertising has emerged as one of the most important marketing instruments. As the amount spent on online marketing has grown, there has also been an evolution of online marketing tools, channels, and options far beyond the original offer of a simple static banner (Liu-Thompkins, 2019).

Compared to its beginnings, online marketing has changed significantly over the last few years with the emergence of broadband, wireless, and mobile Internet as well as the rising popularity of social media platforms. Future Web 3.0 implementations might make it even more difficult for marketers to understand market dynamics and customers online behaviour. Companies started to realize the potential of online marketing as a tool for building their own marketing plans, in order to reach their target customers, with Internet, as promising and cost-effective medium (Roy et al., 2017).

Just like e-commerce, online marketing owes its existence to the development of the Internet. The popularity of the Internet has grown significantly in recent years, and slowly but surely, the Internet is becoming an integral part of most people's daily lives. Online marketing can be characterized as a set of marketing activities carried out via the Internet. It includes all the features of classic marketing, but the difference is that it takes place in the virtual world (Bobalo, 2018).

The four Ps that make up the marketing mix in general are Product, Price, Place, and Promotion. In online marketing place refers to social media platforms, websites or mobile applications, while Promotion refers to public relations, branding, and advertising (Harvey and Ann, 2018). In several important ways online marketing differs from offline marketing. The ability to evaluate and analyse more detailed evaluation in real time is the main benefit. These metrics include website traffic, keyword research for online searches, and the possibility to monitor advertising campaigns and website errors by using analytical tools. Advanced analytical tools can track users' online paths leading up to a purchase, identify how much time they spent on each page, and determine in which part of the shopping process they left the shopping cart (Vecchione et al., 2016). Algorithms assess users' personal interests and demographic information based on their online behaviour from a particular device. Then, businesses can focus their advertising on consumers with certain interests and demographics. Although it is not entirely precise, this targeting allows businesses some assurance that they will present their advertisements to the user or customer who is most likely to be interested in their product. Social networks, where the user substantially enters more data, offer more precise targeting. The benefit of analytical tools is that businesses may examine their primary audience and focus just on it, rather than having to target the extremely diverse Internet audience as a whole. Because people may click on ads out of curiosity rather than a genuine interest in the goods, greater ad charges arise from firms failing to target a more strictly defined audience. The business's capacity to target its advertisements as accurately as possible in this instance plays an important role (Marschall et al., 2020).

With online marketing, it is possible to increase awareness of the brand and products, improve the image and also communicate with key groups and customers. At the same time, companies can publish information about their products on the Internet - for example, the price and description of the product, promotional marketing information, or they can inform about the availability of discounts. As consequence, consumers have more options than in the past. Consumers are now able to compare the prices and features of products quickly and efficiently.
Many companies are therefore spending an increasing amount of their resources on online marketing (Chong et al., 2017). In online advertising, the emphasis is on speed, flexibility, creativity and the ability to stand out from the competition.

To achieve a variety of different goals many online marketing tools can be used—sales promotion, traffic growth, consumer relationship building, increasing brand awareness, brand image enhancement, marketing cost reduction, and user activity creation through content sharing. The main benefits of online marketing include its availability, the possibility of personalization, or precise targeting of the marketing message, interactivity and the possibility of using multimedia content. The advantage is also lower costs compared to classic marketing communication and easy measurement of effectiveness. For many companies, online marketing can therefore be a valuable tool in building effective marketing communication of the company (Setiaboedi et al., 2017).

Despite the fact that this innovative and dynamic kind of advertising experienced significant growth in many parts of the world, the digital advertising market is steadily consolidating and becoming more competitive. Online marketing is a continuously evolving field as a result of technological advancement, which increases the environment's dynamism and raises the demands placed on online operations. Like offline marketing, internet marketing adapts to the present context by utilizing traditional marketing principles and applying them to the online environment (Chong et al., 2017).

With the development of social networks at the beginning of the 20th century, opportunities arose to integrate advertising into social networks, where younger users were found, who were often indifferent to classic banner advertising. In recent years, social networks have experienced a huge boom and are still developing very quickly. Thanks to the constant expansion of the Internet, the number of social media users is growing every day, and many companies are paying much more attention to them than in the past (Tuten and Solomon, 2017). According to a McKinsey survey (Bughin et al. 2013), 82% of the surveyed firms stated, that in their marketing communication, they frequently use technology like video conferencing, blogs and social media networking. Social media have significantly changed the way people communicate, which offers a great opportunity to companies to connect with their customers, engage them and convince them to buy (Tuten and Solomon, 2017).

Social media can be characterized as a virtual space where users exchange information, create and share different content, emotions, photos, music and experiences. Any website that enables communication, content sharing, participation in conversations and user connections can be categorized as social media. The basis of a company's success on social media is mainly the correct selection of the platform and the target group that the company wants to focus on with its product or service. People visit social networks mainly for variety, entertainment and added value. Therefore, companies should try to produce the most creative content that motivates customers to follow the company's social media (Haenlein et al., 2020).

Social media is a crucial component of online marketing (Hajarian et al., 2021). The use of social media allows information to be easily shared with a wider audience, increasing brand awareness while promoting a company's products and services. Social media opens up space for instant interaction, building relationships and customer loyalty. Companies should therefore try to maintain a positive image on social networks and actively communicate with their customers (Ogbuji and Papazafeiropoulou, 2016). When managing social networks, companies need to create enough content to share. It is necessary not only to create posts, but also to manage them, so company must have a well-thought-of plan for social networks in advance. The company should strive for the highest possible activity in connection with quality (Kawasaki et al., 2017).
Main benefit of social networks is that it allows for two-way contact between the client or audience and the organization, which can benefit both parties involved. The business has the chance to use social media to notify its customers about news, products, or services and can subsequently receive insightful feedback from them. These initiatives can raise brand recognition, boost client contentment, enhance client perceptions of the company and help the company improve its goods and services in response to client input. Sales growth or improved competitiveness may be the outcome (Kingsnorth, 2019).

Many studies have also investigated the impact of social networks on consumer behaviour and Beig and Khan (2018) found that content sharing and interaction was the two most important marketing activities of businesses in virtual communities. In the research where 205 respondents took part, the sensory, effective, behavioural, and intellectual experience was examined. The results showed that content sharing and interaction has a positive impact on these four dimensions of experience (Beig, 2018).

For raising brand awareness social media marketing is inexpensive and one of the quickest and simplest methods. Due to the nature of social media, it also gathers useful data from consumers that can be applied to future advertising targeting (Chawla and Chodak, 2021). In segmentation and targeting, consumer lifestyle plays an important role. Wijaya et al. (2020) assume that its knowledge, especially among the Generation Z, will provide information in the areas of socio-economic life, thanks to which companies can better develop marketing strategies. The results of the conducted survey showed that the motives that became the basis of the e-lifestyle for Generation Z corresponded to four factors: e-activities, e-interests, e-opinions and e-values. The most used social networks by Generation Z are Instagram, YouTube, Twitter or Spotify and they use them for the purpose of communication, entertainment or shopping. It is crucial for the company to know how information spreads, to know its mechanism, thanks to which it is possible to choose an effective method of promotion. The company should also focus on researching the current situation in the virtual world. The spread of information, which is characterized by high speed and a large number of people involved, is called viral spread.

However, because social media is continually changing and evolving, it is important for companies to continuously monitor developments and trends in order to appropriately modify marketing communication on these platforms (Chawla and Chodak, 2021).

Today, in addition to the possibility of communication, social networks offer people the possibility of generating income and become an influencer, whose job is to promote products or services of companies with which he has established cooperation. An influencer can be defined as a person who has an impact on his followers. Influencer acquired a large number of followers on social media, who trust him and whom he can influence with his opinions. In recent years, influencer marketing on social media has expanded considerably. In 2020, the industry was worth up to 2.3 billion dollars, while in 2015 it was only half million dollars.

Influencers regularly add various posts to their social media and try to get as many followers as possible. They spread marketing messages in the form of natural advertising, which can be characterized as a form of paid advertising that presents a product or service in a way, that users get the impression that it is not primarily advertising content. Because influencers promote products mostly as part of their personal lives, consumers also don’t always recognize their commercial intent. Individual posts are usually based on their daily life, which seems more natural and real (Kim and Kim, 2021). Commercial posts of influencers may also not be distinguished from non-commercial ones. For this reason, many users of social networks do not even realize that some posts are advertisements. Consumers sometimes even spread the promotional content of influencers themselves, along with additional knowledge about the
promoted product, such as reviews or comments, among their acquaintances, which ultimately increases the reach of the campaign (Javed et al., 2021).

By working with influencers, companies can effectively reach their chosen target audience and sell their marketing message through a trusted source. A great advantage of influencers is that they can arouse a high response from their followers, who often engage and support them. On the contrary, classic marketing tools often have a problem with rejection and lack of interest on the part of consumers. In a consumer survey conducted, up to 92% of social network users said they trust influencers more than traditional marketing media (Kim and Kim, 2021). Due to the possible reach and engagement of influencers on social media, many companies have already started using influencer services intensively and plan to expand their efforts in this area even more (Appel et al., 2020).

2. Methodology

The main aim of the paper is to analyse the use of online marketing communication in Slovak conditions, and its perception by Generation Z. This includes providing the theoretical background and analysis of the online marketing communication from the viewpoint of Slovak and foreign authors. Based on the analysis and results of the questionnaire survey, benefits of the application of online marketing communication as a key tool to capture the attention of Generation Z were highlighted.

The important source for secondary data was scientific research, annual companies report, statistical databases, published professional publications. In order to found out the perception of the online marketing communication from the perspective of Generation Z, a questionnaire survey was conducted.

The questionnaire survey was aimed at finding out the perception and attitudes of Generation Z with online marketing communication of companies. For determination the sample size, the base file representing number of populations born in 1995-2009 was obtained from demographic statistics of the Statistical Office of the Slovak Republic. The confidence interval 5% was determined, and confidence level 95%, thus the error rate 5% was admitted. The sample size of 384 respondents was calculated. The actual number of respondents participated in the questionnaire survey was 620. The time required for the survey was 2 months (April-May 2022). The survey took the form of questionnaire method through e-mail communication.

For the processing of the survey data, the quantitative assessment method was applied.

The marketing survey consists of three sections. The first section is focused on the general socio-demographic profile of respondents. The second section deals with the respondents' perception of the online marketing communication of companies. The third section is devoted to determining respondents' attitudes with online marketing communication of companies.

General scientific methods (i.e., excerption, description, comparative analysis, deduction and induction) were used for data processing, as well as mathematical and statistical methods in the evaluation of data from the survey.

In order to achieve the main goal of the paper, based on the theoretical background and survey results, research hypotheses were formulated and subsequently verified.

- Hypothesis 1: More than 50% consumers of Generation Z prefer social media as a marketing communication tool when getting information about products.
- Hypothesis 2: More than 50% consumers of Generation Z follow their favourite product or brand on social networks.
- Hypothesis 3: More than 50% consumers of Generation Z follow one or more influencers on social networks.
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- Hypothesis 4: More than 50% consumers of Generation Z are affected by some influencer when making a purchase decision.

  Marginal rate 50% was set as the expression of the simple majority (Macfie and Nufrio, 2006).

  Statistical hypotheses testing is defined as a statement of the assumption of unknown parameters in the basic set, which is formulated as a statistical hypothesis and its validity is verified by statistical procedures based on selection characteristics. The role of statistical hypotheses testing is to decide whether to accept or reject the hypothesis regarding the basic set in accordance to the information from the available choice. In verification of the hypotheses, the methodology of statistical hypothesis testing consisting of the following steps was met (Rimarcik, 2007):
  1. Formulation of the null hypothesis (H0).
  2. Formulation of the alternative hypothesis (H1).
  3. Determining the level of significance (α).
  5. Decision.

  The test statistic for hypotheses 1–4 we calculated by using the method testing a single proportion by one-tailed testing because it is commonly used (Ruxton and Neuhauser, 2010; Lombardi and Hurlbert, 2009). Significance level α was determined at 0.05.

3. Results

Of the 620 respondents in the sample set, 384 (62%) were female and 236 (38%) were male.

The results of the questionnaire survey show that 94% respondents from Generation Z prefer online marketing communication when getting information about products or companies. As a favourite tool, 73% respondents indicate social networks, especially Instagram, Facebook, YouTube and TikTok. 68% respondents follow their favourite product or brand on social networks, and they regularly monitor the content of the posts.

Regarding influencer marketing, the majority of respondents (78%) follow minimal one influencer on social networks. From this number, 2% respondents follow only one influencer, 32% respondents follow two to five influencers, 44% respondents follow more than five influencers. The highest viewership of influencers is recorded on the social network Instagram (91%), the second is YouTube (56%), 45% respondents mark TikTok and 28% respondents Facebook. The main reason why they follow influencers is interesting and attractive content, source of inspiration, sympathy, relax and fun, travel experiences, product reviews and motivation. Regarding the content of influencers’ posts, as the most attractive topic, 75% of respondents consider fashion, for 56% respondents is it beauty & make up, 42% respondents mark fitness and lifestyle. Slightly less, but still interesting, are considered topics related to travel and food preparation. Respondents consider economics & business to be the least attractive topics. When examining whether influencer affected the purchase decision of respondents, 54% respondents confirm, that they bought some product according to the influencer’s recommendation.

To verify the statistical hypotheses 1–4, we used the method testing a single proportion. Results of verification these statistical hypotheses are shown in Table 1.

Significance level α was determined at 0.05. The test criteria were calculated according to:

\[ T = \frac{p - \pi_0}{\sqrt{\frac{\pi_0(1-\pi_0)}{n}}} \] (1)
By using the tables of the normalized normal distribution, we find the critical value for the right-tailed test (2) for hypotheses 1 – 4.

\[ T > z_{2\alpha} \]  

(2)

Table 1: Verification of statistical hypotheses

<table>
<thead>
<tr>
<th>Calculation of the sample proportion: ( p = \frac{m}{n} )</th>
<th>Satisfactory of the condition ( n \times \pi_0 \times (1 - \pi_0) &gt; 9 )</th>
<th>Test criteria</th>
<th>Critical field</th>
<th>Inequality</th>
<th>Acceptance or rejection of the hypothesis</th>
</tr>
</thead>
</table>

**Hypothesis 1:**
H0: 50% consumers of Generation Z prefer social media as a marketing communication tool when getting information about products.
H1: More than 50% consumers of Generation Z prefer social media as a marketing communication tool when getting information about products.

\[ p = 0.73 \]

\[ 155 > 9 \]

\[ 11.45 \]

\[ 1.645 \]

\[ 11.45 > 1.645 \]

H0 rejected

**Hypothesis 2:**
H0: 50% consumers of Generation Z follow their favourite product or brand on social networks.
H1: More than 50% consumers of Generation Z follow their favourite product or brand on social networks.

\[ p = 0.68 \]

\[ 155 > 9 \]

\[ 8.96 \]

\[ 1.645 \]

\[ 8.96 > 1.645 \]

H0 rejected

**Hypothesis 3:**
H0: 50% consumers of Generation Z follow one or more influencers on social networks.
H1: More than 50% consumers of Generation Z follow one or more influencers on social networks.

\[ p = 0.78 \]

\[ 155 > 9 \]

\[ 13.94 \]

\[ 1.645 \]

\[ 13.94 > 1.645 \]

H0 rejected

**Hypothesis 4:**
H0: 50% consumers of Generation Z are affected by some influencer when making a purchase decision.
H1: More than 50% consumers of Generation Z are affected by some influencer when making a purchase decision.

\[ p = 0.54 \]

\[ 155 > 9 \]

\[ 1.99 \]

\[ 1.645 \]

\[ 1.99 > 1.645 \]

H0 rejected

Source: Own processing.

Table 1 shows, that in hypotheses 1 – 4 the inequality applies, so we reject the hypothesis H0, i.e., accept the alternative hypothesis H1.

4. Discussion

Online marketing communication is being used in an increasing number of companies in Slovakia. Slovak consumers, mainly from Generation Z, actively perceive this form of marketing communication and its activities greatly influence their purchasing behavior.

Based on previous research (Chawla and Chodak, 2021; Wijaya et al., 2020) and confirmed by our survey, it is obvious, that the Generation Z mainly prefer social networks when getting information about products and companies, especially Instagram, Facebook, YouTube and TikTok. This includes influencer marketing, that is possible to perceive as a powerful communication tool to capture the attention of Generation Z (De Veirman et al., 2017; Reicher, 2018). Consumers are oversaturated by traditional advertising; they need something different. Due to the fact that most of population (not only in Slovakia) are users of social networks, there is also a space how to reach consumers in the online environment.

As mentioned above, for consumers from Generation Z, it is much easier to obtain information as a "friendly" advice from an influencer, i.e., person who is sympathetic to him, because he perceives the content naturally. In this way, influencer may affect the thinking and buying behaviour of his followers, what fluently can lead to affecting their hierarchy of values and thus their lifestyle. Based on the analysis, survey results and verification of statistical
hypotheses, it is obvious, that consumers from Generation Z follow minimally one influencer on the social networks and the majority of them are affected by some influencer when making a purchase decision.

In this reason, to capture the attention of Generation Z, companies should focus their communication activities on the online environment, especially social networks. Regarding the efficient application of influencer marketing, the attention should be paid to appropriate choice of influencer, selecting the right platform, right management of cooperation, right campaign timing and evaluation of the campaign success. For measure results it is possible to use Google Analytics, shortened links, brand awareness and so on.

5. Conclusions

In Summary, the effective application of online marketing communication for capturing the attention of Generation Z can bring a number of benefits, such as acquiring new customers, which will subsequently be reflected in the increase in sales of companies. Among other advantages we can include improving the acquisition of information about the company for customers, as well as in the optimization of communication between the company and the customer, which will be reflected in more effective feedback acquisition. As an integral part is building customer loyalty, increasing brand awareness, improving the image of companies and increasing their value. Thanks to these benefits, the company can gain a competitive advantage.

Presented paper follows the above that the issue of online marketing communication as a key tool to capture the attention of Generation Z has great potential for further research. It would be appropriate to examine and compare the differences in perception of online marketing communication by particular age groups and genders of Generation Z, because this generation has a homogenous characteristic in certain areas and at the same time, on the contrary, it is a very heterogeneous group.

However, the crucial limitation in our research is its territorial validity. The results of the marketing survey are fully valid only in the case of Slovak consumers Generation Z. This means that it is not possible to apply these claims and recommendations to foreign effective practice in online marketing communication. On the other hand, above-mentioned limitation can be removed if the research will be focused on consumers of the selected country with respecting national and cultural specifics. Then the research results could be considered as relevant and appropriate to use in the international environment.

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