GENERATION Z BEHAVIOR AND LOW PRICE PRODUCTS IN THE ERA OF DISRUPTION

NYOMAN SRI SUBAWA¹, NI WAYAN WIDHIASTHINI², PUTU AYU TITHA PARAMITA PIKA³, PUTU INDAH SURYAWATI⁴, I NENGAH DASI ASTAWA⁵
Universitas Pendidikan Nasional¹, ², ³, ⁴, ⁵

ABSTRACT

Changes in consumer behavior are experiencing dynamics in the current era of disruption. Learn more about the behavior of Generation Z in consuming products categorized as low prices. This research was designed using a qualitative descriptive approach. The selection of research sites is "Mie Gacoan", a national-scale franchise brand, which is growing rapidly in the city of Denpasar. Informants in this study are consumers aged 17-25 years, company management and the owner of "Mie Gacoan". There were 15 informants, by conducting interviews and observations. The results showed that consumer behaviour between generation Z and the previous generation was very different. Generation Z, more sensitive to the use of technology, all activities are supported by technology, using social media, updating information and have a tendency to the consumptive character. In this study it was found, the price factor becomes the main consideration and their reasons for buying or consuming a product. This phenomenon has been disrupted, consuming quality products, but at very cheap prices. Besides found other factors, namely promotion factors, social factors and psychological factors.

Keywords: Consumer Behaviour, Low Prices, Disruption and Generation Z

1.0 INTRODUCTION

This era of disruption, every company must make changes in managing its business, if you want to stay afloat and win the competition. Efforts to this end, one of which can be done through designing quality products in accordance with the tastes and desires of consumers. This change in consumer behavior must be addressed by responding quickly to be able to offer products to consumers immediately (Subawa, 2016). The increasingly competitive competition requires business people to be able to create a competitive advantage over their products and services in an effort to satisfy their consumers. Consumers have a variety and interesting characteristics to understand, have backgrounds of various ages, cultural diversity, education, socioeconomic status, and others. Sahabuddin (2016), states that understanding the behavior of buyers from the target market is an important task of a marketer. Marketing activities need to be carried out to offer the needs and desires of consumers by creating and offering, then exchanging products and services that have value for other parties. (Kotler & Keller, 2012). It is intended that the products offered to consumers can be consumed continuously and repeatedly. Consumer decisions in making purchases are also influenced by...
norms that are subjective, as measured by the normative beliefs of consumers and the motivation of preferred groups, who want consumers to consume a product (Nainggolan and Purba, 2016).

Changes to consumer behavior are very important for companies to understand in order to estimate the needs of consumers now and in the future. Analyzing consumer behavior in all actions means paying attention to the factors that influence consumer behavior. Research by Subawa and Widhiasthini (2018), revealed that behavioural changes that occur due to the use of technology such as using social media as a means of self-existence, and self-actualization for consumers, especially after consuming a product, which is expected to provide more value, as a symbol, class and economic status. Therefore, a company is required to follow the trends that occur from consumer behavior that continues to grow and provide changes to follow each generation.

Today, life is increasingly disrupted and fast-paced with the development of technology. Over time the impact of these technological developments makes the previous generation slowly begin to be replaced with a new generation, which has a different mindset and character so that it can form its own personality and paradigm. One of the generations referred to in this study is generation Z, which is this generation born after 1994 to 2009 (Hidvégi and Erdős, 2016). This generation can also be said to be very fond of and often communicate with all groups, especially by using social networks, social media such as Facebook, Twitter, Instagram and other social media (Philip, 2019).

The results of the Bencsik & Machova (2016) study also showed significant differences in the characteristics of the Z generation with the previous generation. This can be explained that this generation has the ability to quickly understand and master technology and information. For generation Z, information technology is a part of their lives. They were born in an era where access to information, especially the internet, has become a culture and habit, so this has an influence on their values, views and life goals. In addition to the technology that is characteristic of this generation, generation Z also has consumptive behavior, has a fondness for shopping and eating out. This is due to buying food outside the home is considered more practical, many choices of food variants at affordable prices. The price factor has an important role in the decision process, before making a product purchase by consumers. Each product price set by the company will affect the level of product demand (Nasution, 2019).

Some food products have become the choice of this generation, taking into consideration price as the choice of choice. Many restaurants and culinary offer this, but made from raw noodles is an interesting phenomenon and examined for further study. Generation Z consumers prefer to hang out in a simple place and consumption of instant noodles is the choice. Instant noodles have become a staple food substitute and are a choice of products with a variety of variants and types of serving as a very interesting menu to be enjoyed. The ease of serving, the variety of flavours and low prices are among the reasons for consumers to consume instant noodles. Based on data from the World Instant Noodles Association (WINA) consumption of instant noodles worldwide in 2018 reached 100 billion packs (portions), up 2.7% from the previous year. The consumption of instant noodles in Indonesia last year reached 12.63 billion packs or about 12.6 of total world consumption. From this explanation,
in this study is to explore the factors considered by the Z generation consumers in consuming low-priced products.

2.0 LITERATURE REVIEW

Kotler and Keller (2012) consumer buying behavior is influenced by several factors, including cultural, social, personal and psychological factors. Consumer behavior is a decision-making process by consumers in determining choices from the stages of choosing, buying, using, utilizing products, services, and ideas or experiences, in order to achieve satisfaction with the needs and desires they want (Firmansyah, 2018).

Consumer behavior also concerns issues regarding decisions taken by a person, how consumers obtain and use these goods and services (Putro, 2017). Furthermore, it is explained how a person, group, community, organization chooses, buys, consumes goods or services, an idea and experience to satisfy their needs and desires (Sukatmadiredja, 2016) The same is also expressed by Schiffman & Kanuk (2018); Sari (2018) that consumer behavior, how individuals decide their decisions by utilizing existing resources both time, money and effort to buy the goods to be consumed. This concerns the question, what is bought, why they buy, where and when to buy, the frequency of purchases, how often to use the product and others. In this study, it can be revealed that changes in behavior and attention to the characteristics of Z generation consumers are sometimes rational and irrational. The rationale in question is when making a purchase, prioritizing aspects of the level of needs, urgency, priorities, and benefits of the product, and the value of the product. While behavior that is irrational reflects behavior that is easily persuaded, seduced, provoked, easily stimulated from advertisements being promoted and behaviors that tend to be hedonic, which squander money in consuming products.

Adopting from the Generation Theory that was coined by William Strauss and Neil Howe in his study, about the identification of the generation cycle that occurs in the United States. Since the emergence of this Generation Theory, sorting generations with several terms, such as Traditionalists, Baby Boomers, Generation X, Generation Y, Generation Z and Alpha. Everything especially related to behavior, lifestyle, profession, culture that is associated with the characteristics of the generation. Theories put forward by them are very subjective assumptions.

Discussing generation, a basic concept is a group of people based on birth years, which are grouped based on historical and sociological experiences experienced together, have similarities in birth years, ages, historical experiences, or events of individuals who have a significant influence in their lives and growth phases (Munthe, 2017); (Phangadi, 2019).

Each generation has different beliefs, values, culture, perspectives, hobbies and skills in their lives and choices. Over time the emergence of smart-phones or gadgets, as well as the rapid development of information technology today, has brought great changes to the daily lives of every individual. It is important to realize that this will have an impact on one's behavior, especially in consumer products, as we have observed, the generation of technology-literate is 20-30 years old on average and those who are just technology literate, the average age is over 40 years (Subandowo, 2017).
The generation born at a time when technology has developed so rapidly is called the Z generation or net generation. Generation Z is part of the generation of information technology and all restrictions on access to information have been widely open without limits through social media and the internet (Santoso and Anna, 2018). This Generation Z, when linked in terms of shopping can be said to be not concerned with the brand, the most important thing is having quality. Rahayu (2019) suggests that generation Z, is a group of people who are still looking for their identity so that they are very easy to accept the influence, provocation, persuasion or new elements obtained from the surrounding environment.

Research conducted by Bencsik et.al. (2016) that each generation has different characteristics, for example, Generation Z has similarities with Generation Y, but Generation Z is better able to apply all activities at the same time, multi-tasking, can be seen in social media communication activities using mobile phones, browsing using a personal computer, and listen to music using their headsets.

From the previous explanation, it can be revealed that in generation Z in consuming products, price becomes a consideration in their purchasing decisions. Price is one of the stimuli to create satisfaction with consumers. Consciously or unconsciously, consumers will pay attention to their own purchasing power of the products offered (Rosalia and Susilo, 2016). Price is the amount of money that customers must pay to obtain the desired product and at the same time is one component that must be considered so that companies can sell, make profits and be able to compete. Pricing determines how much profit the company wants to get. (Aristo, 2016); Permana (2018) Price is an attribute that is inherent in the product, which is offered to consumers and becomes a consideration in decision making.

Furthermore, Marpaung (2018); Setiawan (2016) said that consumers are willing to spend money paid for a product that is received, there is a value that consumers exchange for the product obtained, the benefits and value of the product exchanged, use, consume, ownership of the product. Price is the amount or value that must be paid by consumers for a product. Simply put, the price is determined by considering the customer's ability to pay, the price of competing products, and the production costs incurred by the company. Price policy can be said to be very decisive in marketing a product because the price is one aspect of the marketing mix that plays an important role in sales and revenue for companies (Gunawan and Febsri, 2019).

3.0 RESEARCH METHODS

The approach used in this study is a qualitative descriptive approach, which describes the actual conditions. The brand chosen in this research is "Mie Gacoan", which is a business developed through franchising, this business covers the territory nationally and naturally adheres to a strong aspect of local wisdom, especially from its spicy taste menu. The location determination is Denpasar City, as a metropolis, an international tourist destination, and demographically dense population, certainly as an attractive investment location for investors (Subawa & Widhiasthini, 2019). Sources of data in this study, using primary data obtained through interviews with fifteen informants, including customers “Z Generation”, online delivery (drivers), managers and business owners. Informants obtained by purposive sampling technique, whose data collection uses accidental sampling technique. Data
collection techniques, besides using interviews, also carried out field observations. The data obtained were then analyzed using qualitative and interpretive descriptive analysis techniques.

4.0 RESULTS AND DISCUSSION

Researchers conducted interviews with several informants, namely consumers or customers, food delivery (drivers), business managers and business owners "Gacoan noodles". Referring to the results of interviews conducted with consumers and the owner of "Mie Gacoan", that the majority of consumers in this case Generation Z. They consume this noodle product, with various variants of noodles, giving reasons because the price is affordable. Price is the main factor in deciding to buy noodles. With the price of ten thousand rupiahs, if converted to dollars less than one US dollar, can consume this noodle product. This means that consumers get these noodle products at very cheap prices. The results of interviews conducted by researchers showed that the majority of informants consume this noodle product because the price is very cheap. Low prices, affect his desire to consume repeatedly. Buy and buyback continuously, repeatedly done, there is a high purchasing power of consumers. In addition to giving his opinion on prices, another informant said the noodle products offered had a good taste and in accordance with the right spicy tastes, which were characteristic of local Balinese cuisine, namely the taste of each menu, spicy cuisine. The food and beverage menu offered, then from the packaging and design, is attractive, which shows a middle class. The company sells noodle products at relatively low prices, compared to similar noodle products, and it's class. This price is very suitable for generation Z, which has limited funds, a mediocre bag of money. Besides that, customers also feel comfortable when visiting this noodle place, with fast service, with many waiters, even though there are a lot of visitors who come every day, can be served quickly.

In addition to price, when researchers ask several informants, the thing consumers consider coming, shopping and consuming this product, is because of the fast service process. Observations made, with two shifts, then a large number of employees, are very supportive of fast service. The main characteristic of the Z generation is a technology and fast-paced desires. Mie Gacoan offers technology facilities such as wi-fi access, internet and fast-paced services. The results showed that making consumers feel comfortable and often visited, shopping for Mie Gacoan, also caused by never queuing for too long. When viewed in terms of price, Gacoan Noodle is one of the noodle restaurants that offer low prices but still maintains the quality of the food. The price offered by Mie Gacoan is still in the cheap category, which according to some informants is an added value for the restaurant. Although packed with visitors the service is good, not long to wait, friendly and fast. When this, the researcher confirmed to the owner, the owner said that the price offered was indeed cheap, the market segment was teenagers, who liked to gather, chat, hang out, and those whose pockets were not thick. The researcher further asked if the price is cheap, isn't there a loss? Straightly, the owner replied, that the company sells in large quantities or large units, then the profit is obtained from such large amounts.

The development of technology is increasingly developing, making business people must follow the flow of technology. The development of technology makes the desires of consumers also become diverse and more expressive in buying or consuming something. This
makes business actors must be able to analyze opportunities from changes in consumer behavior and also must continue to innovate in maintaining the quality of products sold. In addition, the price offered to consumers must be in accordance with the target market and be competitive because the price is one of the factors driving consumers to shop.

For this reason, the owner of "Mie Gacoan" continues to aim at consumers aged 17-25 years. Consumers of this age must be very considering the price in their purchases. Therefore, the owner of "Mie Gacoan", before opening his business, he said that he had conducted a study, market analysis that still considered price as a competitive advantage in similar business competition. Cheap prices are expected to bring in a lot of customers, of course, with good and classy quality food and drinks.

Changes in behavior so quickly, especially changes in consumers in this Generation Z, making companies have difficulty in monitoring, understanding and analyzing consumer behavior quickly, precisely and correctly. This change, each individual has a different behavior (Ikhbar & Saiful, 2018). Confirmation conducted by researchers to the owner, informant Rony, states that along with the times, we must continue to learn, to understand and examine the desires of these consumers.

Generation Z is a generation born in the span of 1995, as a transitional generation, from generation Y, with a high understanding of technology (Sa'diya, 2017). Generation Z has a fairly high understanding of information technology, is responsive, familiar with social media, based on digital and electronic media (Rini & Sukanti, 2016). The results of research conducted by Santoso & Anna (2018) that the Z generation consumers, show the characteristic, typical decision making as the internet generation, namely online window shopping, they often do shopping through online media. Along with the development of these technologies, business actors must understand changes in consumer behavior, what underlies consumers to always come, shop and consume this product. Consumer purchasing decisions can be explained when consuming noodle products, in Gacoan Noodles ", as described below.

4.1 Price Factor

Price perception is considered as an indicator of value if the price is associated with the benefits perceived by consumers of a product, then its value will increase. Price can be said as an important consideration for consumers to buy a product because the perception of product prices greatly affects the sense of satisfaction from consumers (Hashiolan, et.al., 2017). In addition, price is also one of the most sensitive non-product variable elements for consumers because it has an important role as a consideration in purchasing decisions for a product (Ikhsan & Handayani, 2019).

Interviews with several informants also stated that price, determinants of purchasing decisions. Price as one of the determinants of consumers in purchasing decisions. The manager of this restaurant also reinforces that consumers nowadays make prices as a factor in the purchase, even if at certain moments given discounts, price cuts, special purchases and others. So, the price of purchasing a product, the determinant of continuing to come and be a loyal customer.
4.2 Promotion Factor

Promotion is a tool to attract interest, stimuli, desire to get buyers. In essence, promotion is a form of marketing communication to consumers that aims to provide information, attract attention and subsequently influence consumption in increasing sales (Alma, 2013). Promotion can increase and attract consumers' buying interest in buying an item, if a company can promote, stimulate, suggest and influence consumers so that the goal of increasing sales can be achieved.

In the research of Indriyani and Atita (2020), it was revealed that promotion using social media is highly considered in terms of the content contained in the media. Research conducted by Subawa & Mimaki (2019) that consumers and business owners choose view promotions and purchases online, including through e-marketplaces. Content will affect consumer interest in buying, getting to know the product, containing all information about the products offered. Based on interviews with several informants that they found out about these products from promotional media, such as Instagram, Facebook and other media. Promotional content is an attraction for trying to buy, consume and be repeated. Media promotion plays an important role, the content delivered, especially regarding product price discounts, discounts up to fifty per cent and new menus become interesting things to want to be known to consumers, then consumers will try, and so on. In this information technology era, social media plays a role in increasing sales, especially for Generation Z, who are very familiar with the use of social media and other technology media. Subawa & Widhiasthin (2020) the use of technology and social media as a tool to hegemony consumers through promotional networks owned by producers. This results in behavioral transformation and disruptive mindset.

Furthermore, the results of research conducted by Sa'diya (2017) that product promotion through posting pictures, photos, videos and added with attractive caption descriptions on Instagram, become a stimulus for generation Z, to try and consume the product. This was also corroborated by statements from several informants, consumers and company managers. That social media greatly influences consumers' interest in the decision to try and buy a product. Promotions can be obtained by consumers at certain moments, such as price discounts, free shipping when ordering using an online introductory application, promotions through buying one get one free. This form of promotion can increase consumer shopping interest.

4.3 Social Factors

The social context in this study reflects a group of people who are able to influence individual behavior in making a purchasing decision for a product. Behaviors that have been used to do, as well as actions that are not commonly done, which can be said as actions that are influenced by social factors. The results of research conducted by Wahyudi & Sri (2019) states that social factors have a role for consumers in making purchasing decisions, this is supported by the environment around consumers themselves, influenced, and then consumers make product purchases. This shows that social factors have influenced the thoughts and actions of consumers to make purchases. This was also corroborated by several informants, especially from generation Z consumers, who were easily influenced, the invitations and enticements of their friends had disturbed his mind to participate in shopping for these
products. Actions that are influenced by information from social media and the comments of friends, also have an impact on the behavior changes of Generation Z, in purchasing this product. Generation Z, this consumer decides the first time purchase is also caused by information naturally from the surrounding social environment, their school friends, the place where their social environment interacts.

4.4 Psychological Factors

In individuals, psychological factors are reflected, which is the most basic thing in an individual, which will affect his choices in buying a product. Research conducted by Okumus et.al. (2018) explained that psychological factors owned by customers influence the intention to consume the product. Besides that, social influence, facility conditions, expectations and personal innovations are also determinants in making purchasing decisions and consuming products. That is, when consumers consume a product, psychologically, there is value, in addition to the benefits obtained (Subawa, 2016). The results of the interview also showed like this, they consume noodles, then the food menu is photographed, commented and uploaded on their social media, there is a pride in themselves when they have consumed these noodles. This phenomenon is found in Generation Z, a sense of pride in themselves, want to show people, that they have consumed this product, where they are, what menu, when, with whom, written on their caption.

Other previous studies, carried out by Yusuf et al. (2018) which examines consumer behavior. The results of this study, indicate consumer behavior is based on factors of income, consumer tastes and the quality of the products offered. Furthermore, research conducted by Dwicahyo et.al. (2017) describes that family factors are considered decisions in consuming food. So, from the two studies, it was revealed that generation Z, has a different character from the other generations. This generation as a new generation, a generation that is sensitive to technology, different phenomena occur in society. Subawa et.al. (2020) shows changes in people's behavior and culture that are instant and hedonistic, moreover, this is supported by the use of technology. This generation has been disrupted, especially in the disruption of the mindset.

Subawa (2016) stated that a quality product will be accompanied by a high price. But in this study, the opposite happened, which became a new finding in this study, that this product has a high quality but is sold at a low price. There has been a disruption in marketing. Profits derived from the frequency of sales. That high quality is followed by low prices and fast services become a factor in purchasing considerations for Generation Z. So, the price factor becomes the dominant factor in product purchasing decisions. Second, is the promotion factor, which involves social media as a support in the promotion, third, is the social factor, which reflects that generation Z is influenced by their social environment, their relationship, and the fourth factor, psychological factor, which raises their pride when consuming this product, there is a value of psychological pride, known by their social environment.

5.0 CONCLUSION

There have been changes in people's behavior, especially the behavior of Generation Z in purchasing decisions. The phenomenon that occurs, when Generation Z consumes this noodle
product, which has a low price segment, with the appearance, packaging, and menu offers a spicy flavour as the main characteristic of this noodle product. Generation Z, who has a sensitivity to the use of technology in all their activities. With the rapid development of technology, it is expected that business people, investors, or owners of capital, capitalists and the like, must understand changes in consumer behavior, especially generation Z. They are very familiar with technology and have characteristics of a tendency to consumptive. The findings in this study are the factors considered in consumption, including the price factor as the dominant factor in purchasing decisions. This factor has disrupted, currently rarely found in businesses, offering quality products, but at low prices. Next are promotion factors, social factors and psychological factors.

Consumptive behavior, which characterizes that this generation Z, is different from previous generations, this is because they are always looking for the latest information, the information used in deciding to buy their products. Although it can be said of a consumptive generation, the price factor is a consideration of their consumption, their purchases and their decisions taken.

REFERENCES


