



UNDERSTANDING GEN Z CONSUMER PREFERENCES FOR PRICING METHODS: A CASE STUDY IN CEBU, PHILIPPINES

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ABSTRACT

This study investigates how pricing methods affect the likelihood of purchase decisions made by Generation Z (Gen Z). Data from a sample of Gen Z buyers were gathered using a descriptive survey method in order to examine the different pricing indicators on their purchase behavior. The findings revealed that pricing strategies significantly play a role in the purchasing behavior of Gen Z consumers, and the mean scores of the different pricing categories indicate their importance in the decision-making process. The study identifies that value-based pricing is critical to Gen Z consumers, who place significant emphasis on the perceived value of products. Hence, aligning pricing with product value can increase the likelihood of purchase. The findings also indicate that regular discounts or promotional offers can trigger the behavioral tendency of motivating Gen Z consumers to make purchases. The results also suggest that pricing strategy has a substantial impact on consumer loyalty and brand-switching behaviors. Companies can use pricing as a tool to encourage brand loyalty and reduce the likelihood of customers switching to competitor products. Offering personalized pricing and loyalty rewards are some ways to strengthen brand-consumer relationships. Finally, the findings suggest that pricing strategies are crucial to the purchasing decisions of Gen Z consumers. Businesses must prioritize pricing as a vital component of their marketing strategy and tailor it to meet the needs and preferences of this demographic. The study contributes to the existing literature by providing insights into the role of pricing on Gen Z consumer behavior and providing recommendations for businesses seeking to target this demographic.

KEYWORDS: Gen Z, purchasing decisions, pricing, descriptive survey method, value-based pricing, discount pricing, brand loyalty, brand switching, marketing strategy, competitive advantage.

INTRODUCTION

The younger generation, known as Generation Z or Gen Z, is an important market segment for businesses to consider (Thangavel et al., 2019). Born between 1997 and 2012, Gen Zs have grown up in a digital age and are known to be tech-savvy and socially conscious (Goldring & Azab, 2021). As this generation enters the workforce and gains purchasing power, businesses must understand consumer behavior and preferences to develop effective marketing strategies (Hanifawati et al., 2019).

As the newest generation of consumers, Gen Zs are increasingly becoming an important market for businesses to target. With their significant buying power and unique characteristics, understanding their likelihood of purchase decisions is critical for companies to succeed in the market (Thangavel et al., 2019). Pricing strategies are one of the essential tools businesses can use to influence the purchase decisions of Gen Zs.

One of the critical factors that influence consumer behavior is pricing (Abrate et al., 2019). Pricing strategy is an essential consideration for businesses as it affects consumers' perception of the value of a product or service. The right pricing strategy can make a product more attractive to Gen Zs, while the wrong pricing strategy can deter them from purchasing. Therefore, businesses must understand how Gen Zs make buying decisions based on pricing.

Additionally, pricing is one of the most critical elements of the marketing mix, as it is a crucial factor influencing consumers' purchase decisions. In today's highly competitive business environment, companies need an effective pricing strategy that can help them attract and retain customers. The importance of pricing strategies is evident in the fact that businesses of all sizes and industries invest significant resources in developing and implementing effective pricing strategies (Ali & Anwar, 2021).



Gen Zs are known for their financial savviness and high expectations for value, making pricing strategies a critical factor in their purchase decisions. Understanding the effectiveness of different pricing strategies for this generation can provide valuable insights for businesses seeking to succeed in this market (Goldring & Azab, 2021; Munsch, 2021). Skimming pricing involves setting a high initial price for a new product, gradually decreasing over time companies typically employ this strategy for products that have increased innovation, perceived value, and exclusivity (Yuan et al., 2022). On the other hand, penetration pricing is a strategy that involves setting a low initial price for a new product to attract customers and gain market share (Sara Azad Fouad Arif, 2022). This pricing method is commonly used by businesses entering a new market or facing stiff competition. In contrast, discount pricing is a strategy that offers customers discounts on products to encourage purchases. Companies often use this method to clear inventory, attract customers during off-peak periods, or reward loyal customers (Armstrong & Chen, 2020; Q. Wang & Wang, 2005).

Value-based pricing is another strategy that has become increasingly popular in recent years. This approach involves setting prices based on the customer's perceived value of the product rather than the cost of production. Value-based pricing considers the customers' willingness to pay, competition, and the benefits and features of the product. This strategy allows businesses to capture better the value they provide to customers and create a more decisive competitive advantage (Christen et al., 2022; Garrison et al., 2019; Gross et al., 2021).

Understanding the impact of these pricing strategies on Gen Zs' purchase decisions is critical for businesses targeting this generation. The unique characteristics of Gen Zs, such as their focus on social responsibility, authenticity, and experiences, require companies to consider their pricing strategies carefully. By examining the effectiveness of these pricing strategies, businesses can make informed decisions on how to price their products to appeal to Gen Zs and maintain a competitive edge in

the market (Adirinekso et al., 2020; Li et al., 2021; Waluya et al., 2019).

In this study, we focus on examining the impact of four pricing strategies - skimming pricing, penetration pricing, discount pricing, and value-based pricing - on the likelihood of purchase decisions of Gen Zs.

METHODOLOGY

This study examines how likely Gen Zers will focus their purchase decisions on pricing strategies. To ensure that the sample is representative of the population, the respondents for this study are from various colleges of varied geographical origins. The survey will ask participants about their buying propensity in response to different pricing methods. This study uses the descriptive method. The study collected pricing strategies and consumer behavior data by designing a structured questionnaire. The researcher administered the survey to a random sample of consumers who recently purchased products or services from various companies, ensuring it adequately represents the target population.

The researchers organized the questionnaire into four categories, skimming pricing, penetration pricing, discount pricing, and value-based pricing, consisting of 20 Likert scale questions. Furthermore, we categorized 20 Likert scale questions into six consumer behavior categories: purchase behavior, brand loyalty, brand switching, willingness to pay, price sensitivity, and perceived value.

RESULTS AND DISCUSSION

Gen Z, the youngest generation of consumers, has been identified as a unique and diverse group with distinct preferences and attitudes toward products and services. With the rise of digital platforms and social media, businesses increasingly seek to understand how to reach and engage this demographic effectively. A critical aspect involves developing pricing strategies that resonate with Gen Z's buying behaviors and preferences. The results of the study are as follows:

Table 1. Biological Sex

Sex	Frequency	Percent
Female	56	81.2
Male	13	18.8
Total	69	100.0

The table shows that most participants (81.2%) were female, while a smaller proportion (18.8%) were male. This gender distribution may significantly impact the study findings, especially if there is a significant difference in purchase decision likelihood between males and females. This difference in likelihood would suggest that pricing strategies may need to be tailored to different consumer segments, considering gender-specific preferences and behaviors (Friedmann & Lowengart, 2019).

The distribution of biological sex is a crucial factor in understanding consumer behavior, and this holds for the study on Gen Zs' Likelihood of Purchase Decisions based on pricing. The data presented in the table provides valuable insights into the gender composition of the study sample and has implications for interpreting the study results (González et al., 2021; Lin et al., 2019).



Table 2. Income

Income	Frequency	Percent
1-10,000	54	78.3
10,001-20,000	9	13.0
20,001-30,000	4	5.8
30,001-40,000	1	1.4
40,001-50,000	1	1.4
Total	69	100.0

The table shows that a large proportion of the study sample (78.3%) had an income range of 1-10,000 Pesos, with a small percentage falling in the higher income brackets. This income distribution has significant implications for the study findings, especially if there is a substantial difference in the likelihood of

purchase decisions between different income groups. This difference in income would suggest that pricing strategies may need to be tailored to different income segments, taking into account their specific spending patterns and purchase behaviors (Shahriar & Sajib, 2021).

Table 3. Price Skimming

Indicators	Mean	Category	Description
1. How likely are you to purchase a product when it is introduced at a higher price than similar products?	2.536	Unlikely	It is unlikely that the pricing strategies in the study will have an impact on my consumer behavior
2. How likely are you to consider the quality of a product when it is introduced at a higher price point than similar products in the market?	3.667	Likely	The pricing strategies in the study will likely have an impact on my consumer behavior
3. How likely are you to purchase a product that is marketed as a luxury item?	2.42	Unlikely	It is unlikely that the pricing strategies in the study will have an impact on my consumer behavior
4. How often do you buy products when they are first introduced?	2.797	Neutral	I am neutral on whether the pricing strategies in the study will have an impact on my consumer behavior
Average	2.855	Neutral	I am neutral on whether the pricing strategies in the study will have an impact on my consumer behavior

The table on price skimming provides critical insights into Gen Zs' Likelihood of purchase decisions based on pricing strategies. The data presented in the table has implications for businesses seeking to understand and cater to the purchasing preferences of Gen Z consumers.

similar products in the market. This quality assessment suggests that businesses may be able to implement price-skimming strategies that leverage product quality to justify higher prices (Mappesona et al., 2020; Muliastari, 2020; Rosillo-Díaz et al., 2020).

The table shows that, on average, Gen Zs are neutral on whether the pricing strategies in the study will impact their consumer behavior. However, when considering specific indicators, the table reveals that Gen Zs are more likely to assess the quality of a product when it is introduced at a higher price point than

The table also shows that Gen Zs are unlikely to purchase a product marketed as a luxury item or introduced at a higher price than similar products. This characteristic suggests that businesses must be cautious when using these pricing strategies and carefully consider the specific product and market context.

**Table 4. Penetration Pricing**

Indicators	Mean	Category	Description
5. How likely are you to purchase a product when it is introduced at a lower price than similar products?	3.87	Likely	The pricing strategies in the study will very likely have an impact on my consumer behavior
6. How likely are you to consider the quality of a product when it is introduced at a lower price point than similar products in the market?	3.928	Likely	The pricing strategies in the study will very likely have an impact on my consumer behavior
7. How likely are you to purchase a product marketed as a budget item?	4.014	Likely	The pricing strategies in the study will very likely have an impact on my consumer behavior
8. How often do you buy products introduced at a lower price than similar products?	3.754	Likely	The pricing strategies in the study will very likely have an impact on my consumer behavior
Average	3.8915	Likely	The pricing strategies in the study will very likely have an impact on my consumer behavior

The table on penetration pricing provides valuable insights into the Likelihood of Gen Zs making purchase decisions based on pricing strategies. The data presented in the table has implications for businesses seeking to understand and cater to the purchasing preferences of Gen Z consumers.

The table reveals that, on average, Gen Zs are likely to be influenced by penetration pricing strategies when making purchase decisions (Ali & Anwar, 2021). This influence suggests businesses may leverage lower prices to increase sales and capture market share among Gen Z consumers (Yuan et al., 2022).

The table also shows that Gen Zs are likely to consider the quality of a product when it is introduced at a lower price point than similar products in the market. This likelihood highlights the importance of product quality in driving purchasing decisions among this demographic, even when the price is a crucial factor (Sara Azad Fouad Arif, 2022).

Furthermore, the table indicates that Gen Zs will likely purchase products marketed as budget items and buy products introduced at a lower price than similar products. This result suggests businesses can appeal to Gen Z consumers with budget-friendly pricing strategies that offer a good value proposition (Ali & Anwar, 2021).

Table 5. Discount Pricing

Indicators	Mean	Category	Description
9. How likely are you to purchase a product when it is offered at a discount?	4.116	Likely	The pricing strategies in the study will very likely have an impact on my consumer behavior
10. How likely are you to purchase a product in bulk when offered at a discount?	3.594	Likely	The pricing strategies in the study will very likely have an impact on my consumer behavior
11. How often do you wait for sales or discounts before purchasing a product?	3.536	Likely	The pricing strategies in the study will very likely have an impact on my consumer behavior
12. How likely are you to purchase a product offered at a discount even if it is not something you typically buy?	2.652	Neutral	I am neutral on whether the pricing strategies in the study will have an impact on my consumer behavior
Average	3.474	Likely	The pricing strategies in the study will very likely have an impact on my consumer behavior

The mean score for question 9, "How likely are you to purchase a product when it is offered at a discount?" was 4.116, indicating

that the respondents were likely to buy a product when it is offered at a discount. This suggests that discount pricing is an



effective strategy for influencing the purchasing decisions of Generation Z. The mean score for question 10, "How likely are you to purchase a product in bulk when offered at a discount?" was 3.594, indicating that the respondents were also likely to purchase products in bulk when offered at a discount. This implies that bulk discount pricing can be a successful strategy for encouraging consumers to buy more of a product. The mean score for question 11, "How often do you wait for sales or discounts before purchasing a product?" was 3.536, suggesting that the respondents were likely to wait for sales or discounts before making a purchase. This implies that Generation Z is price-sensitive and actively seeks out discounts when making purchasing decisions. The mean score for question 12, "How likely are you to purchase a product offered at a discount even if

it is not something you typically buy?" was 2.652, indicating that the respondents were neutral on whether discount pricing would influence their purchasing behavior for products they wouldn't typically buy. This suggests that discount pricing may not be as effective for products that are not already of interest to the consumer.

The average mean score of the four questions was 3.474, indicating that Generation Z is likely to be influenced by discount pricing strategies. The findings suggest that businesses targeting this demographic should consider offering discounts and sales to increase the likelihood of purchase (Armstrong & Chen, 2020; Sharma et al., 2019).

Table 6. Value-Based Pricing

Indicators	Mean	Category	Description
13. How likely are you to purchase a product if you believe it is worth the price?	3.826	Likely	The pricing strategies in the study will very likely have an impact on my consumer behavior
14. How likely are you to purchase a product if you believe it is high quality?	3.855	Likely	The pricing strategies in the study will very likely have an impact on my consumer behavior
15. How often do you consider the value of a product before making a purchase?	4.058	Likely	The pricing strategies in the study will very likely have an impact on my consumer behavior
16. How likely are you to purchase a product marketed as a premium item?	3.043	Neutral	I am neutral on whether the pricing strategies in the study will have an impact on my consumer behavior
Average	3.6955	Likely	The pricing strategies in the study will very likely have an impact on my consumer behavior

Table 6 presents the results of the survey questions related to value-based pricing. The table suggests that Gen Zs are likely to consider the value and quality of a product before making a purchase decision. The mean scores for questions 13, 14, and 15 indicate that Gen Zs are likely to be influenced by value-based pricing strategies, as they are more likely to purchase if they believe that the product is worth the price and is of high quality (Christen et al., 2022; Garrison et al., 2019).

The neutral score for question 16, suggests that value-based pricing may not have as much of an impact on this aspect of consumer behavior. However, the average score of 3.6955 indicates that value-based pricing strategies will likely significantly affect Gen Zs' purchasing decisions.

These findings imply that companies targeting Gen Zs must focus on value-based pricing strategies to influence purchasing decisions. Companies offering high-quality products at reasonable prices are likely to attract Gen Zs as customers successfully. Companies may also consider emphasizing the value and quality of their products in their marketing strategies to appeal to this demographic (Jianhua Wang et al., 2020).



Table 7. General Pricing Questions

Indicators	Mean	Category	Description
17. How important is the price to you when making a purchase decision?	4.464	Very Likely	The pricing strategies in the study will very likely have an impact on my consumer behavior
18. How likely are you to switch to a different brand if the price of your current brand increases significantly?	3.58	Likely	The pricing strategies in the study will likely have an impact on my consumer behavior
19. How likely are you to recommend a product to others if you feel it is priced reasonably?	3.797	Likely	The pricing strategies in the study will likely have an impact on my consumer behavior
20. How likely are you to purchase a product priced higher than your typical budget if you believe it is superior?	3.116	Neutral	I am neutral on whether the pricing strategies in the study will have an impact on my consumer behavior
Average	3.73925	Likely	The pricing strategies in the study will likely have an impact on my consumer behavior

Table 7 presents general pricing questions aimed at understanding the overall attitude of Gen Z consumers towards pricing. The mean score of each question and the category and description provide insights into how important price is to Gen Z consumers. This result indicates the likelihood of switching brands due to price increases and their willingness to recommend and purchase relatively priced products or higher than their typical budget.

The first question in Table 7 (Indicator 17) asks how important price is to Gen Z consumers when making a purchase decision. The mean score of 4.464 in the "Very Likely" category indicates that price is a crucial factor in the purchase decision-making process for Gen Z consumers. This result implies that pricing strategies will significantly impact their purchasing behavior, and companies should carefully consider their pricing strategy to target this demographic effectively.

The second question (Indicator 18) asks about Gen Z consumers' likelihood to switch to a different brand if the price of their current brand increases significantly. The mean score of 3.58 in the "Likely" category suggests that price increases could result in brand switching for Gen Z consumers. These findings underscore the importance of a competitive pricing strategy to retain loyal customers(Sharma et al., 2019).

The third question (Indicator 19) examines Gen Z consumers' likelihood to recommend a product to others if they feel it is priced reasonably. The mean score of 3.797 in the "Likely" category indicates that pricing fairness is a significant factor in their willingness to recommend products to others. These findings allow companies to use pricing to create brand ambassadors and attract new customers(Ferraris et al., 2020).

Finally, the fourth question (Indicator 20) asks about Gen Z consumers' likelihood of purchasing a product that is priced higher than their typical budget if they believe it is superior. The mean score of 3.116 in the "Neutral" category suggests that Gen Z consumers are unsure about purchasing higher-priced products, even if they perceive them to be of superior quality. These findings highlight the importance of clear product differentiation and effective marketing to justify higher prices and convince consumers of their value.

Overall, the average mean score of 3.73925 in the "Likely" category suggests that pricing strategies will likely impact Gen Z consumers' behavior. As such, companies should carefully consider their pricing strategy to target this demographic and remain competitive in the market effectively.



Table 8. Purchase Behavior

Indicators	Mean	Category	Description
Buy products on impulse	2.855	Neutral	I am neutral on whether the pricing strategies in the study will have an impact on my consumer behavior
Conduct thorough research before making a purchase	3.609	Likely	The pricing strategies in the study will likely have an impact on my consumer behavior
Buy products from my favorite brands, regardless of price.	3.232	Neutral	I am neutral on whether the pricing strategies in the study will have an impact on my consumer behavior
Buy products in bulk to save money.	3.507	Likely	The pricing strategies in the study will likely have an impact on my consumer behavior
Pay a premium price for products of high quality.	3.493	Likely	The pricing strategies in the study will likely have an impact on my consumer behavior
Average	3.3392	Neutral	I am neutral on whether the pricing strategies in the study will have an impact on my consumer behavior

Table 8 provides insights into Gen Z's purchase behavior and how pricing affects it. The results show that Gen Z consumers have a mixed approach to purchasing products. Some behaviors indicate a likely impact of pricing strategies on their behavior, while others express a neutral stance. The first indicator, "I frequently buy products on impulse," has a neutral mean score of 2.855. These findings suggest that pricing may not significantly impact impulse purchases (Tien NGUYEN & Trung NGUYEN, 2022). However, pricing strategies that promote affordability and value may still effectively attract impulse purchases. The second indicator, "I always conduct thorough research before making a purchase," has a mean score of 3.609, indicating that pricing strategies that offer value and affordability may influence the Likelihood of Gen Z consumers conducting research before purchasing (Kasmad, 2022). This finding means that pricing is essential for Gen Z consumers, who are likely to research extensively before buying. The third indicator, "I often buy products from my favorite brands, regardless of price," has a neutral mean score of 3.232. These findings indicate that brand loyalty is a factor in Gen Z's purchase decisions, and pricing may not be the sole

consideration. However, it is still essential for brands to offer competitive pricing to retain brand loyalty. The fourth indicator, "I prefer buying products in bulk to save money," has a mean likelihood score of 3.507, indicating that pricing strategies that offer bulk discounts or other value-added incentives can influence Gen Z's purchase behavior. The fifth indicator, "I am willing to pay a premium price for high-quality products," has a mean likelihood score of 3.493. These findings indicate that Gen Z consumers value quality highly, and pricing strategies that emphasize quality may influence their purchase decisions (Chen et al., 2017).

The average mean score of 3.3392 indicates a neutral stance toward pricing strategies among Gen Z consumers. This average suggests that while pricing is an important consideration, other factors such as brand loyalty, quality, and value also play a significant role in their purchase decisions. Thus, pricing strategies that offer a combination of value, quality, and affordability will likely be most effective in attracting Gen Z consumers (Tien NGUYEN & Trung NGUYEN, 2022).

**Table 9. Brand Loyalty**

Indicators	Mean	Category	Description
Stick to my favorite brands, even if cheaper options are available.	3.13	Neutral	I am neutral on whether the pricing strategies in the study will have an impact on my consumer behavior
Buy products from the same brand I have used before.	3.638	Likely	The pricing strategies in the study will likely have an impact on my consumer behavior
Strong emotional attachment to my favorite brands	3.377	Neutral	I am neutral on whether the pricing strategies in the study will have an impact on my consumer behavior
Switch to a different brand despite a promotional offer.	2.913	Neutral	I am neutral on whether the pricing strategies in the study will have an impact on my consumer behavior
Confident when I use products from my favorite brands.	3.942	Likely	The pricing strategies in the study will likely have an impact on my consumer behavior
Average	3.4	Likely	The pricing strategies in the study will likely have an impact on my consumer behavior

Table 9 explores Gen Zs' loyalty and attachment to their favorite brands. The table consists of five indicators with a mean score and corresponding category.

The first indicator shows that the respondents are neutral regarding always sticking to their favorite brands, even if cheaper options are available. These findings imply that the pricing strategies may not significantly impact their behavior (Padillo et al., 2021). The second indicator indicates that respondents will likely buy products from the same brand they have used before. This finding suggests that the pricing strategies of a brand may play a crucial role in retaining loyal customers and attracting potential ones. The third indicator shows respondents have a neutral emotional attachment to their favorite brands. This finding could suggest that brands must work harder to create stronger emotional connections with their

consumers to maintain brand loyalty. The fourth indicator reveals that the respondents are neutral about switching to a different brand despite a promotional offer. These findings could mean that brands must offer more than just promotions to attract potential customers. The fifth indicator indicates that respondents will likely feel confident using products from their favorite brands. This finding suggests that brands must maintain quality products to retain loyal customers (Nijssen et al., 2017).

The average mean score of 3.4 indicates that the study's pricing strategies will likely impact Gen Zs' brand loyalty and purchase behavior. Brands may need to focus on creating emotional connections, maintaining product quality, and offering more than just promotions to retain their loyal customers and attract potential ones (Fauzi & Ali, 2021).



Table 10. Brand Switching

Indicators	Mean	Category	Description
Try new brands when they offer a promotional discount.	3.768	Likely	The pricing strategies in the study will likely have an impact on my consumer behavior
Switch to different brands depending on availability and price.	3.826	Likely	The pricing strategies in the study will likely have an impact on my consumer behavior
Loyal to several brands but willing to try new ones occasionally.	3.725	Likely	The pricing strategies in the study will likely have an impact on my consumer behavior
Switch to new brands if I find their products better than my current brand.	3.87	Likely	The pricing strategies in the study will likely have an impact on my consumer behavior
Switch brands unless my current brand fails to meet my expectations.	3.435	Likely	The pricing strategies in the study will likely have an impact on my consumer behavior
Average	3.7248	Likely	The pricing strategies in the study will likely have an impact on my consumer behavior

The table presents the mean scores and descriptions of brand switching indicators among Gen Z consumers based on pricing strategies. The average score for all the items is 3.7248, implying that pricing strategies will likely impact Gen Z consumers' purchase decisions.

The first indicator, "I am open to trying new brands when they offer a promotional discount," has a mean score of 3.768, indicating that Gen Z consumers will likely switch brands if offered promotional discounts. This finding implies that promotional pricing strategies, such as discounts and coupons, can attract Gen Z consumers to try new brands (Sharma et al., 2019). The second indicator, "I switch to different brands depending on the availability and price," has a mean score of 3.826, indicating that price is a crucial factor in Gen Z consumers' brand-switching behavior. This finding implies that pricing strategies such as dynamic pricing, price-matching, and bundle pricing can effectively attract Gen Z consumers to change brands.

The third indicator, "I am loyal to a few brands but willing to try new ones occasionally," has a mean score of 3.725. This result indicates that Gen Z consumers are open to trying new brands

but still have some loyalty to their preferred brands. This result implies that loyalty-based pricing strategies, such as loyalty programs, can effectively retain Gen Z consumers. The fourth indicator, "I switch to new brands if I find their products better than my current brand," has the highest mean score of 3.87, indicating that product quality is a critical factor in Gen Z consumers' brand-switching behavior. This result implies that quality-based pricing strategies, such as premium and value-based pricing, can effectively attract Gen Z consumers. The fifth indicator, "I do not switch brands unless my current brand fails to meet my expectations," has the lowest mean score of 3.435, indicating that Gen Z consumers are relatively less loyal to their preferred brands. This result implies that pricing strategies such as penetration pricing and discounting can effectively attract Gen Z consumers to switch brands (Sara Azad Fouad Arif, 2022).

The table suggests that pricing strategies influence Gen Z consumers' purchase decisions. To attract and retain Gen Z consumers, companies need to consider a range of pricing strategies that target different brand-switching indicators, such as promotional, loyalty, quality, and penetration pricing (Tien NGUYEN & Trung NGUYEN, 2022).



Table 11. Willingness to Pay

Indicators	Mean	Category	Description
Buy cheaper products, even if they are of lower quality.	2.826	Neutral	I am neutral on whether the pricing strategies in the study will have an impact on my consumer behavior
Pay a premium price for products with unique features.	3.261	Neutral	I am neutral on whether the pricing strategies in the study will have an impact on my consumer behavior
Buy eco-friendly products even if they are more expensive.	3.145	Neutral	I am neutral on whether the pricing strategies in the study will have an impact on my consumer behavior
Pay a premium price for products made from high-quality materials.	3.449	Likely	The pricing strategies in the study will likely have an impact on my consumer behavior
Pay more for products that are convenient to use.	3.986	Likely	The pricing strategies in the study will likely have an impact on my consumer behavior
Average	3.3334	Neutral	I am neutral on whether the pricing strategies in the study will have an impact on my consumer behavior

The table provides insights into the Likelihood of Gen Z to decide on a purchase decision based on pricing. Based on the indicators provided, Gen Z appears to be relatively price-conscious, as they prefer buying cheaper products even if they are of lower quality. They are neutral on the willingness to pay a premium price for unique features and eco-friendly products. However, Gen Z is also willing to pay a premium price for high-quality materials and convenient products, indicating that the lowest price does not solely drive them (González-Rodríguez et al., 2020).

The mean score of 3.3334 suggests that, on average, Gen Z is neutral on whether the pricing strategies in the study will impact consumer behavior. This result could mean that Gen Z is open to considering various pricing strategies depending on the product, brand, and other factors.

This table implies pricing is essential to Gen Z's purchasing decision-making process. Companies that target Gen Z should consider their price sensitivity when developing their marketing strategies. Offering affordable pricing options can effectively appeal to this generation, but balancing it with other factors such as quality, convenience, and environmental concerns is essential. Companies should also be aware that high-quality materials and convenience are factors for which Gen Z is willing to pay a premium, so it may be worth investing in these areas to attract this demographic. Understanding Gen Z's attitude toward pricing is crucial in designing effective marketing strategies that resonate with this group (González-Rodríguez et al., 2020; Huang, 2021; Kucher et al., 2019).



Table 12. Price Sensitivity

Indicators	Mean	Category	Description
Compare prices before making a purchase.	4.217	Very Likely	The pricing strategies in the study will very likely have an impact on my consumer behavior
Buy products only if they are on sale or available at a discount.	3.435	Likely	The pricing strategies in the study will likely have an impact on my consumer behavior
Pay a higher price for products with a good reputation.	3.449	Likely	The pricing strategies in the study will likely have an impact on my consumer behavior
Sensitive to prices when I buy products.	2.638	Neutral	I am neutral on whether the pricing strategies in the study will have an impact on my consumer behavior
Tend to buy only products at a significant discount.	3.681	Likely	The pricing strategies in the study will likely have an impact on my consumer behavior
Average	3.484	Likely	The pricing strategies in the study will likely have an impact on my consumer behavior

The table provides insights into the price sensitivity of Gen Z and their likelihood to make purchase decisions based on pricing. The indicators suggest that Gen Z is highly price-sensitive, with a mean score of 3.484, indicating that pricing strategies will likely impact consumer behavior.

Gen Z tends to compare prices before purchasing, indicating they are looking for the best deal possible. This behavior suggests that companies that target Gen Z should consider offering competitive pricing or discounts to appeal to this generation. Additionally, the fact that Gen Z tends to buy products only if they are on sale or available at a discount further highlights the importance of offering promotional pricing and deals (Wen et al., 2020). The table also suggests that Gen Z values reputation and is willing to pay a higher price for products with a good reputation. This result could mean companies with a strong brand reputation could charge a premium for their products and still attract Gen Z buyers (Mappesona et al., 2020; Thangavel et al., 2019).

However, the fact that some Gen Z respondents were neutral on the price sensitivity indicators suggests that pricing is not the only factor in their purchasing decision-making process. Other factors, such as quality, convenience, and environmental concerns, may also play a role.

This table implies that companies that target Gen Z must be aware of their price sensitivity and offer competitive pricing and promotional deals. Companies should also consider building a solid brand reputation to potentially charge a premium for their products. However, it is crucial to balance pricing with other factors that may influence Gen Z's purchasing decisions.

Overall, understanding Gen Z's price sensitivity and purchasing behaviors is vital for companies that want to market to this demographic effectively (Jianming Wang et al., 2020).

CONCLUSIONS

Based on the mean scores of the various pricing indicators, it is evident that the pricing strategies studied are likely to have a considerable impact on the purchasing decisions of Generation Z consumers. The high mean score of the Value-Based Pricing category suggests that consumers in this demographic place significant emphasis on the perceived value of the products they purchase. Hence, companies should focus on aligning their pricing with the perceived value of their products to ensure that their pricing strategy resonates with Gen Z consumers.

The high mean score of the Discount Pricing category also indicates that businesses that offer regular discounts or promotional offers may have a higher chance of influencing the purchasing behavior of Gen Z consumers. These findings support prior research indicating that discounts can trigger the behavioral tendency of loss aversion, which can motivate consumers to make purchases.

Moreover, the high mean scores of the Brand Loyalty and Brand Switching indicators suggest that the pricing strategy can have an impact on consumer loyalty and brand switching behaviors. Companies can use pricing as a tool to encourage brand loyalty and reduce the likelihood of customers switching to competitor products. For instance, offering loyalty rewards and personalized pricing can help build customer loyalty and strengthen brand-consumer relationships.



Finally, the study indicates that pricing strategies are likely to influence the purchasing decisions of Generation Z consumers. Therefore, companies must prioritize pricing as a vital component of their marketing strategy and tailor it to match the needs and preferences of this demographic. Businesses that adopt value-based pricing, offer regular discounts, and focus on building customer loyalty may stand to gain a competitive advantage in the Gen Z market.

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