Generation-Z Consumers' Thinking Patterns and Behaviour: Insights into Necessity, Spiritual, and Likely Goods

Dr T. Aasif Ahmed[1], Dr A. Zakiuddin Ahmed[2], Dr. A. Noorul Ameen[3]

[1]Associate Professor & Research Supervisor, Department of Economics, Mazharul Uloom College (Autonomous), Ambur – 635802, Tamil Nadu, India

[2]Associate Professor & Head, Department of Computer Science, Mazharul Uloom College (Autonomous), Ambur – 635802, Tamil Nadu, India

[3]Assistant Professor and Head, Department of Corporate Secretaryship, Mazharul Uloom College (Autonomous), Ambur – 635802, Tamil Nadu, India

ABSTRACT

Generation Z has emerged as a dominant and influential consumer group, reshaping contemporary markets through its distinctive thinking patterns, digital orientation, and value-driven decision-making. Understanding how this generation thinks, perceives, and interprets the mental states of others is crucial for decoding their consumption behaviour. Unlike previous generations, Generation-Z consumers' exhibit rapid cognitive processing, heightened social awareness, and strong sensitivity to authenticity, ethics, and social identity, making the forecasting of their tastes and preferences a complex and challenging task. This study aims to explore the thinking patterns of Generation-Z consumers and examine how these cognitive orientations influence their purchasing behaviour. By analysing their behavioural tendencies, preferences, and decision-making processes, the study attempts to provide insights into the evolving consumer mind-set of Generation Z. The findings of this research study are expected to offer valuable implications for entrepreneurs, marketers, and policymakers by enabling them to design more effective, consumer-centric strategies that align with the expectations and values of Generation-Z consumers.

Keywords: Generation Z, Consumer Thinking Pattern, CTP

INTRODUCTION

Thinking plays a vital role in shaping human behaviour, particularly in understanding and interpreting the mental states, intentions, and emotions of others. This cognitive ability influences how individuals respond to social, economic, and market-related stimuli. In the context of consumer behaviour, thinking patterns determine how consumers perceive products, evaluate alternatives, and make purchasing decisions. As societies evolve and technological advancements accelerate, generational differences in thinking and behavioural orientations become increasingly evident.

Generation Z, typically comprising individuals born from the mid-1990s to the early 2010s, represents a cohort with a thinking pattern that is markedly different from that of previous generations. Raised in a digitally immersive environment, Generation-Z consumers are characterized by instant access to information, high adaptability, and multidimensional thinking. Their cognitive framework is shaped by social media, global connectivity, economic uncertainty, and heightened awareness of social and environmental issues. As a result, their consumption behaviour is not merely driven by price or utility but also by values such as authenticity, inclusivity, sustainability, and social responsibility.

Forecasting the tastes and preferences of Generation-Z consumers has become a highly challenging task for businesses and entrepreneurs. Their dynamic thinking, rapidly changing preferences, and resistance to traditional marketing approaches make conventional consumer models less effective. Generation-Z consumers actively evaluate brands based on trust, transparency, and alignment with their personal identity, often switching

preferences with minimal brand loyalty. This unpredictability necessitates a deeper understanding of their underlying thinking patterns rather than relying solely on observable purchasing behaviour.

Against this backdrop, the present study aims to examine the thinking patterns of Generation-Z consumers and analyse how these patterns influence their behavioural responses in the marketplace. By focusing on the cognitive and behavioural dimensions of Generation-Z consumption, this research seeks to bridge the gap between consumer psychology and market strategy. The study also intends to provide practical insights that can assist entrepreneurs in anticipating consumer expectations, developing innovative products, and crafting effective marketing strategies suited to the evolving Generation-Z consumer landscape.

LITERATURE REVIEW

Understanding consumers' thinking patterns requires a multidimensional examination of cognitive, emotional, and social forces that drive behaviour. In this study, we synthesize three complementary theories— **Theory of Mind**, the **Somatic Marker Hypothesis**, and **Growth Mindset**—to illuminate the unique thinking and behavioural patterns of **Generation Z**, thereby building on the core concerns outlined in the Abstract and Introduction: that Generation Z's cognitive orientation is distinct and forecasting their tastes and preferences is challenging.

Theory of Mind and Market Cognition

As introduced, thinking and understanding others' mental states is foundational to human social behaviour. The **Theory of Mind (ToM)**—the ability to infer the beliefs, emotions, and intentions of others— serves as a cognitive lens through which individuals interpret their social environment. In consumer contexts, this capacity influences how individuals internalize peer opinions, anticipate responses to brands, and engage with influencers and social communities.

For Generation Z, who have grown up in digitally networked environments, ToM plays an intensified role in shaping consumption decisions. Their reliance on **peer validation, online reviews, and social narratives** makes mentalizing—understanding what others think and feel—central to evaluating brands and products. This supports our Introduction's assertion that **understanding others' mental states is crucial to decoding Generation Z's decisions**, as Gen Z consumers use social cues and shared meanings to form preferences rapidly and contextually.

Somatic Marker Hypothesis and Emotional-Cognitive Decision Dynamics

While ToM maps the cognitive processing of social information, the **Somatic Marker Hypothesis (SMH)** explains how emotional experiences influence decision making. According to SMH, emotional states and physiological responses become "markers" that bias future choices, especially in conditions of uncertainty. When applied to consumer behaviour, somatic markers can explain impulse purchases, brand attachment, and experiential consumption outcomes.

Generation Z's digital immersion exposes them continuously to emotionally charged content, personalized advertising, FOMO cues, and instant social feedback. Such context increases the salience of somatic markers in decision processes, resulting in emotional traces that guide future preference patterns even when rational evaluation is absent. This concept reinforces the Introduction's emphasis on the difficulty of forecasting Generation Z's tastes and preferences—behaviour is not purely rational but also shaped by emotion-based neurocognitive cues.

Growth Mindset and Adaptive Consumer Thinking

The theory of **growth mindset** describes an individual's belief in the malleability of abilities and openness to learning. In consumer behaviour research, growth mindset orientations correlate with adaptability to change, willingness to experiment with new products, and resilience in decision making under uncertainty.

Generation Z's thinking patterns reflect attributes consistent with a growth mindset. Their preference for novelty, technology adoption, and value-based consumption suggests a cognitive inclination toward **adaptive learning and continuous exploration**. Rather than sticking to habitual brand choices or traditional consumption scripts,

Gen Z actively navigates new experiences, digital feedback loops, and brand narratives. This aligns with the Abstract's characterization of Gen Z as a cohort with "rapid cognitive processing" and distinct behavioural drivers.

Emerging Patterns in Generation-Z Consumer Behaviour

Recent empirical findings on Generation Z provide concrete evidence for these theoretical linkages:

• **Digital Embeddedness:** Gen Z uses digital platforms extensively for product research, social comparison, and purchase decisions. Decision making is informed not only by product attributes but also by social endorsements, influencer feedback, and narratives that carry emotional and cognitive weight.

• **Social Influence and Identity Cues:** Peer networks and social signals are primary determinants of preference formation. Gen Z consumers value authenticity and social resonance, indicating that their consumption decisions are socially co-constructed rather than isolated.

• **Pragmatic and Value-Driven Choices:** Generation Z demonstrates strong preferences for authenticity, sustainability, and ethics. Their choices are driven by value-based cognitive evaluations as well as emotional alignment with brands that mirror their identity and social commitments.

• **Rapid Decision Evolution:** Unlike previous generations with longer decision cycles, Generation Z's preference structures shift quickly, influenced by fast-moving digital trends, community narratives, and emerging socio-cultural discourses.

These empirical patterns reinforce the **challenge highlighted in your Introduction**: forecasting Generation Z's preferences is difficult because preferences are fluid, socially mediated, and contingent on cognitive–emotional interactions rather than fixed product features or price considerations.

Linking Theoretical Constructs to Research Objectives

By integrating Theory of Mind, Somatic Marker Hypothesis, and Growth Mindset with observed Generation-Z behaviour, this literature review establishes a comprehensive framework for understanding Generation Z's thinking patterns. Each theory contributes uniquely:

• **ToM** explains how mentalizing and social interpretation influence consumption choices.

• **SMH** accounts for the emotional biasing of future decisions within dynamic digital environments.

• **Growth Mindset** captures Generation Z's adaptive and exploratory orientation toward the marketplace.

Together, these theories explain why **Generation Z's thinking and behavioural patterns are both unique and difficult to forecast**, echoing the core statements from the Abstract and Introduction. This theoretical foundation sets the stage for the empirical analysis that follows in this paper, with implications for entrepreneurs seeking to design consumer-centric strategies tailored to Generation Z's nuanced cognitive– emotional landscape.

Objectives of the Study

1. To understand how Generation-Z consumers think and make decisions while purchasing products and services.

2. To study how Generation-Z consumers understand and are influenced by the thoughts, opinions, and feelings of others in their buying decisions.

3. To examine how emotions, feelings, and past experiences influence the purchasing behaviour of Generation-Z consumers.

4. To analyse whether Generation-Z consumers show a growth mindset, such as openness to learning, trying new products, and adapting to change.

5. To identify the reasons why predicting the tastes and preferences of Generation-Z consumers is difficult.

6. To explore the link between the thinking patterns of Generation-Z consumers and their actual buying behaviour.

7. To provide useful insights and suggestions that can help entrepreneurs and businesses better understand and serve Generation-Z consumers.

METHODOLOGY

The present study adopts a descriptive and analytical research design to examine the thinking patterns and consumer behaviour of Generation-Z consumers. The research focuses on understanding how cognitive, emotional, and social factors influence the purchasing decisions of this generation. The study was conducted in **Vellore District of Tamil Nadu, India**, which provides a suitable setting to observe the changing consumption behaviour of young consumers in both urban and semi-urban contexts.

The target population of the study consisted exclusively of **Generation-Z consumers**, defined as individuals born between the mid-1990s and early 2010s. A **random sampling method** was employed to ensure fair representation of respondents and to minimise sampling bias. The sample size was fixed at **250 respondents**, which was considered adequate to capture variations in thinking patterns and consumer behaviour among Generation-Z consumers in the study area.

Primary data were collected using a **structured questionnaire** designed in line with the objectives of the study. The questionnaire included questions related to thinking patterns, understanding of others' opinions and social influence, emotional responses and past experiences in purchasing, growth-oriented attitudes such as willingness to learn and try new products, and actual consumer behaviour including brand preference, impulse buying, and value-based decisions. Likert-scale and multiple-choice questions were used to ensure clarity and consistency in responses.

The thinking patterns of Generation-Z consumers were analysed using **algorithm-based techniques**, which helped in identifying behavioural trends and relationships between cognitive, emotional, and behavioural variables. The collected data were processed and analysed using descriptive statistics such as percentages, means, and standard deviations, along with correlation and regression analysis to examine the relationship between thinking patterns and consumer behaviour. Ethical considerations were duly followed, and participation in the study was voluntary, with confidentiality and anonymity of respondents strictly maintained.

For the research methodology we have designed the following algorithm.

Step 1: Segment customer database using conditional logic where birth_year < 1997 assigns **Pre-Gen Z**, **1997 ≤ birth_year ≤ 2012** assigns **Gen Z**, and **birth_year > 2012** assigns **Post-Gen Z**

Step 2: Categorize **products** into **necessity**, **spiritual**, and **luxury** classifications based on functional attributes and consumer demand elasticity.

Step 3: Construct a 3×3 expenditure matrix M where M[i,j] represents aggregate spending for generation i on category j.

$M[i,j] = \Sigma(transaction\_amount)$ for all transactions.

Step 4: Compute mean expenditure μ for each generation-category pair using arithmetic mean formula.

$\mu = \Sigma x / n$

Step 5: Calculate similarity coefficient S between generational pairs using distance metric normalized to percentage scale.

S= (1 - |μ₁ - μ₂| / max(μ₁, μ₂)) × 100

Step 6: Generate primary table displaying M[i,j] values with row totals and column totals for dimensional aggregation analysis.

Step 7: Construct similarity matrix showing S values for all generational dyads across product categories. Apply threshold logic where S > 70 indicates **high Similarity** and S < 50 indicates **non-similarity**.

Step 8: Create bar chart with three colored bars for each product category representing the three generations.

Step 9: Observe that necessity and spiritual products show similarity across generations, while luxury products show non-similarity
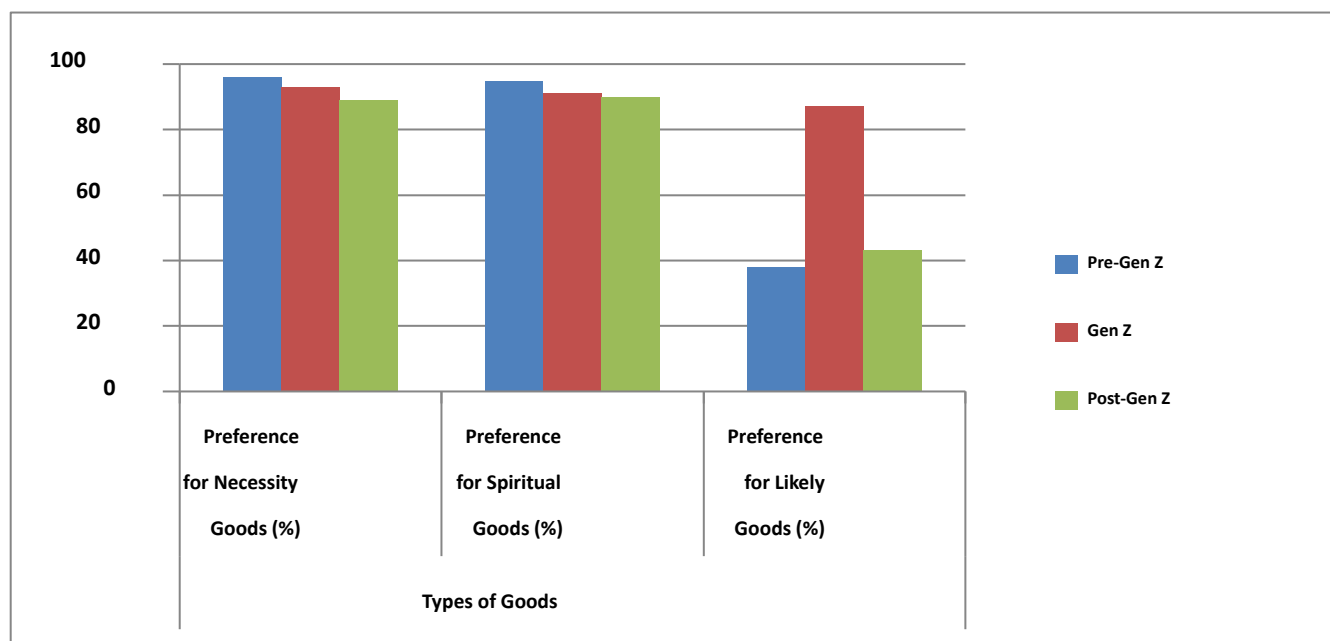
RESULT AND DISCUSSION:

The proposed algorithm was implemented in the Python language, and the results are summarized in Table 1 and depicted visually in Figure 1:

Generational Category of Consumers	Sample Size	Types of Goods		
		Preference for Necessity Goods (%)	Preference for Spiritual Goods (%)	Preference for Likely Goods (%)
Pre-Gen Z	100	96	95	38
Gen Z	100	93	91	87
Post-Gen Z	100	89	90	43
Common Thinking Pattern outcome		**Similarity**		**Non-Similarity**

Table 1 : Performance analysis of the Proposed Algorithm

Figure 1 : Comparison between consumer Generation and Goods type

The results of the study indicate that **Generation-Z consumers exhibit distinct thinking patterns and behaviours**, which vary according to the type of goods consumed. Based on the algorithm-based analysis, Generation-Z consumer thinking and behaviour in the study area were classified into three broad categories: **thinking related to necessity goods, spiritual goods, and likely goods**. This classification provides a clearer understanding of how Generation-Z consumers apply different cognitive and emotional approaches depending on the nature of consumption.

With regard to **necessity goods**, the study found that Generation-Z consumers demonstrate relatively **stable, rational, and predictable thinking patterns**. Their purchasing decisions for essential items such as food, basic clothing, education materials, and daily-use products were mainly influenced by price, quality, availability, and family needs. The behaviour observed in this category was largely similar to that of previous generations, indicating that basic consumption needs continue to follow traditional decision-making patterns across generations.

In the case of **spiritual goods**, the findings reveal that Generation-Z consumers' thinking and behaviour are primarily driven by **values, beliefs, and emotional attachment**. Purchases related to religious items, ethical products, wellness services, and spiritually associated goods were influenced by personal faith, cultural background, and family traditions. Social influence played a limited but meaningful role. Notably, the thinking patterns and behaviours of Generation-Z consumers for spiritual goods were found to be **comparable to those of other generations**, reflecting continuity in value-based consumption.

However, the study shows that the **most complex and difficult behaviour to understand is related to likely goods**, such as fashion products, branded items, digital services, gadgets, and trend-based commodities. Generation-Z consumers in the study area displayed **highly dynamic and inconsistent thinking patterns** in this category. Their choices were strongly influenced by emotions, social media exposure, peer opinions, influencer content, and fear of missing out (FOMO). Frequent brand switching, impulse buying, and short-term preference changes were commonly observed, making prediction of their behaviour particularly challenging.

The results further indicate that **Generation-Z consumers' thinking and behaviours are closely linked to social understanding and emotional experiences**, supporting the relevance of Theory of Mind and the Somatic Marker Hypothesis. Emotional responses and past experiences were found to play a major role in shaping purchasing behaviour, especially for likely goods. At the same time, the openness of Generation-Z consumers to change and experimentation reflects a **growth-oriented thinking pattern**, particularly evident in their willingness to try new brands and technologies.

Overall, the findings confirm that while **Generation-Z consumers behave similarly to other generations in the case of necessity and spiritual goods**, their behaviour towards likely goods is highly adaptive, emotionally driven, and socially influenced. This behavioural diversity explains why forecasting Generation-Z consumer preferences—especially in non-essential consumption categories—remains a significant challenge for entrepreneurs and marketers. The results underline the importance of understanding Generation-Z thinking patterns to design effective consumer-centric strategies.

Suggestions for Further Study

Future studies may extend this research to other regions to examine regional differences in GenerationZ thinking patterns and behaviour. Since consumer behaviour related to **likely goods** is highly dynamic and difficult to predict, product-specific and sector-wise studies may provide deeper insights. Longitudinal studies can help understand changes in Generation-Z preferences over time. Further research may also use advanced analytical tools and qualitative methods to better capture the emotional and social factors influencing Generation-Z consumer behaviour and to compare these patterns with other generations.

CONCLUSION

The present study provides a nuanced understanding of **Generation-Z consumers' cognitive and behavioural orientations**, demonstrating that their consumption behaviour is neither uniform nor static but varies systematically across different categories of goods. The findings reveal that Generation-Z consumer thinking

and behaviour can be meaningfully classified into **necessity goods, spiritual goods, and likely goods**, each reflecting distinct cognitive–emotional decision frameworks.

The study establishes that Generation-Z consumers exhibit relatively **stable, rational, and predictable behavioural patterns** in the consumption of necessity goods, largely aligning with the decision-making processes observed in earlier generations. Similarly, consumption related to spiritual goods is predominantly value-driven and emotionally grounded, reflecting continuity in belief-based and culturally embedded consumption behaviour across generations. These findings indicate that fundamental consumption needs and value-oriented choices remain resilient to generational shifts.

In contrast, the study identifies **significant behavioural complexity and volatility** in Generation-Z consumers' choices of likely goods. These decisions are strongly shaped by emotional stimuli, social cognition, digital exposure, and rapid preference evolution, rendering them difficult to anticipate using conventional consumer behaviour models. The interaction of social perception, affective responses, and adaptive learning orientations underscores the cognitive distinctiveness of Generation-Z consumers in discretionary consumption contexts.

Overall, the study underscores the importance of adopting **cognitively and emotionally informed analytical frameworks** to understand Generation-Z consumer behaviour. The findings suggest that while traditional models remain relevant for essential and value-based consumption, they are insufficient to explain Generation-Z behaviour in dynamic market segments. The study contributes to the literature by advancing a structured classification of Generation-Z thinking patterns and offers valuable implications for entrepreneurs and policymakers seeking to engage effectively with this emerging and influential consumer cohort.

Acknowledgement

Conflict of Interest

The authors declare that there is **no conflict of interest** associated with this research study.

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