Generation Z Behavior Toward Digital Innovation in Affiliate Marketing

Adilawati Nurul[1], Khanun Nabilah[2], Wahyuni Ni'Matul[3], Puspita Sari Nurul Alifah[4], Amelia Ratih[5], Putu Adi Putra Arimbawa[6]

[1]Department of Digital Business, Universitas Negeri Surabaya, Surabaya, Indonesia.
[2]Department of Digital Business, Universitas Negeri Surabaya, Surabaya, Indonesia.
[3]Department of Digital Business, Universitas Negeri Surabaya, Surabaya, Indonesia.
[4]Department of Digital Business, Universitas Negeri Surabaya, Surabaya, Indonesia.
[5]Department of Digital Business, Universitas Negeri Surabaya, Surabaya, Indonesia.
[6]Graduate School of Economics, Osaka University

*Email: nurul.23366@mhs.unesa.ac.id, nabilah.23049@mhs.unesa.ac.id, nimatul.23345@mhs.unesa.ac.id, nurul.23460@mhs.unesa.ac.id, ratihamelia@unesa.ac.id, u558332b@ecs.osaka-u.ac.jp

Abstract. This study aims to analyze the behavior of Gen Z and the role of digital technology in influencing the way affiliate businesses operate and evolve, while also exploring how this generation creates new trends in the business world through anti- mainstream approaches. Gen Z is known for being digitally savvy, creative, and resistant to traditional business models. By leveraging social media, digital platforms, and community-based strategies, Gen Z has built business models that are more flexible, personalized, and aligned with the current market demands. The technological innovations they adopt not only accelerate the growth of affiliate businesses but also open up new opportunities in the creative industries, digital economy, and value-driven marketing. The findings of this study show that Gen Z's digitally active behavior and the innovations they introduce have a significant positive impact on the dynamics and success of affiliate business models. Understanding the unique characteristics of Gen Z and implementing appropriate digital innovations are key to crafting successful business strategies in the digital era. Ultimately, the anti- mainstream approach embraced by Gen Z is emerging as a powerful force shaping the future of entrepreneurship and transforming the modern business landscape.

Keywords: Affiliate, Business Digital Innovation, Gen Z Behavior, Value-Driven Marketing.

Introduction

The advancement of digital technology has brought significant transformation across various business sectors, particularly in marketing strategies. One notable shift is the growing prominence of customer affiliate marketing as a widely adopted digital strategy. This phenomenon is closely linked to Generation Z (Gen Z), individuals born between the mid-1990s and early 2010s, who are often referred to as digital natives due to their upbringing in a highly digitalized environment (Williams et al., 2018).

Gen Z exhibits unique characteristics compared to previous generations. They are accustomed to accessing information instantly, are critical of the content they consume, and are more responsive to visual and personalized communication (Turner, 2015; Djafarova & Bowes, 2021). In digital marketing, their behavior demonstrates a strong inclination towards authenticity, user-generated content (UGC), and brands that embody social values they personally relate to (Fromm & Read, 2018; Priporas et al., 2017). The increasing presence of Gen Z in the affiliate marketing ecosystem is reshaping business interaction models into more collaborative, community-oriented, and decentralized forms. On one hand, Gen Z represents a prime target for affiliate marketing due to their growing purchasing power and long-term potential as loyal consumers (Kantar, 2020). On the other hand, they actively serve as marketing agents—be it as influencers, content creators, or everyday consumers—who share affiliate links through platforms like TikTok, Instagram, YouTube, and X (formerly Twitter) (Anderson, 2019; Statista, 2023).

Gen Z routinely utilizes digital devices and social media not only to communicate, but also to gather product information, compare prices, and make purchases online (Smith, 2022). Digital innovations such as artificial intelligence (AI), personalization algorithms, app-based affiliate platforms, and digital payment systems have further intensified customer engagement in the digital business landscape (Chaffey, 2019). Simultaneously, the evolving digital behavior of Gen Z significantly influences the dynamics of the customer affiliate business environment. While several prior studies have investigated Gen Z's consumer behavior in the context of digital marketing and e-commerce (Priporas et al., 2017; Djafarova & Bowes, 2021; Seemiller & Grace, 2016), research specifically examining their engagement in affiliate marketing remains limited. Particularly underexplored are the motivations, perceived value, and factors influencing Gen Z's decision to participate in or actively promote affiliate programs. Lin et al. (2022) highlight digital trust and loyalty as critical components in the success of affiliate marketing, yet these elements have not been thoroughly examined in relation to Gen Z's unique behavioral context. Moreover, most existing studies predominantly address the consumer side of the affiliate model, rather than focusing on the affiliate actors themselves—many of whom come from Gen Z. Theoretical frameworks employed thus far also tend to be general, often overlooking distinctive Gen Z traits such as their preference for authenticity, drive for social recognition, and sensitivity to ethical and value-based branding (Francis & Hoefel, 2018; Barnes, 2015).

Given this background, this study aims to fill the gap by identifying and analyzing the behavior of Gen Z as affiliate actors in the digital business environment. The research explores factors influencing their engagement, including intrinsic motivation, perceived value, social influence, and digital literacy. It further investigates how these aspects interact to shape Gen Z's intentions and actions in affiliate marketing contexts.

Scientifically, this study is expected to contribute to the theoretical development of youth digital behavior, while also offering a more contextualized understanding within digital marketing and generational entrepreneurship. Practically, the findings may provide valuable insights for industry stakeholders seeking to design more effective affiliate strategies tailored to the characteristics of Gen Z as strategic partners.

Methods

This study uses a quantitative approach with a survey method, which aims to test the relationship and influence between variables statistically based on numerical data from respondents. The survey method was chosen because it allows the collection of information from a wide population in a relatively short time, and provides an objective picture of the influence of consumer behavior on the effectiveness of affiliate marketing. This study was designed as a correlational study, with two independent variables, namely X1: Consumer Behavior (Gen Z Behavior) and X2: Digital Innovation, and one dependent variable, namely Y: Affiliate Marketing Business Environment.

The study population includes individuals from generation Z (born 1997–2012) in Indonesia who actively use social media and have experience or knowledge of affiliate marketing. The sampling technique used is purposive sampling, namely the selection of respondents based on certain criteria that are relevant to the research objectives. The inclusion criteria in this study include: (1) aged between 18–27 years, (2) actively using social media such as Instagram, TikTok, Twitter/X, or YouTube, (3) knowing or having purchased products through affiliate links, and (4) domiciled in Indonesia. Based on the distribution of online questionnaires, the number of respondents collected was 100 people, which was considered adequate for initial analysis in this exploratory quantitative research.

The instrument used in this study was an online questionnaire arranged in a Likert scale format of 1–5, where 1 indicates "strongly disagree" and 5 indicates "strongly agree". The questionnaire was designed to measure three main variables, namely consumer behavior (X1), digital innovation (X2), and the affiliate marketing business environment (Y). Each variable consists of several indicators that have been developed based on previous theories and studies, covering aspects such as purchasing habits through affiliate links, trust in influencers, the role of digital technology, and interest and

opportunities in affiliates. Data collection was carried out for two weeks by distributing questionnaire links via social media such as Instagram, Twitter, and WhatsApp. This method was chosen because it is in accordance with the characteristics of the target respondents, namely Generation Z, who are active on digital platforms. Participation is voluntary and anonymous, and respondents are only asked to answer questions according to their personal experiences and perceptions. With this approach, the data collected can reflect the real conditions of digital consumer behavior that are involved in or interested in affiliate marketing.

Data analysis in this study was conducted using SPSS version 25 through several stages. First, editing was carried out to review the completeness of the data, as well as coding if there were qualitative answers that needed to be converted into numbers. Furthermore, a validity test (with Pearson correlation) and a reliability test (with Cronbach's Alpha) were carried out to ensure the accuracy and consistency of the instrument. After the instrument was declared valid and reliable, a descriptive analysis was carried out to describe the characteristics of the respondents and the distribution of answers. Then, multiple linear regression analysis was used to test the effect of consumer behavior variables (X1) and digital innovation (X2) on the affiliate business environment (Y), accompanied by a t-test (partial effect) and r-test (strength of relationship). The results of the analysis were used to test the hypothesis and answer the formulation of the research problem.

Result and Discussion Result

Item-Total Statistics Table 1: Validity Test

No	Variable	Corrected Item-Total Correlation	Status
1	Trust	0.757	Valid
2	Discount	0.771	Valid
3	Link Ease	0.774	Valid
4	Review	0.738	Valid
5	Digital Innovation	0.723	Valid
6	Recommendation	0.777	Valid
7	Affiliation Chance	0.776	Valid
8	Interested Affiliate	0.679	Valid
9	Career Opportunity	0.818	Valid
10	Training Interest	0.720	Valid

The validity test in this study was conducted using the Corrected Item-Total Correlation method through the SPSS version 25 program. The analysis results showed that all items tested had corrected item-total correlation values above 0.30, ranging from 0.679 to 0.818. These values indicate that each item has a sufficiently strong relationship with the total score of its construct, thus concluding that all items in the research instrument are valid and suitable for further analysis.

Reliability Statistics Table 2: Reliability Test

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.938	.940	10

Next, a reliability test was conducted to measure the internal consistency of all items in the instrument. Based on the results of calculations using Cronbach's Alpha method, a value of 0.938 was obtained, which is in the very high category. This indicates that the instrument has a very good level of reliability, so it can be used consistently to measure the variables in this study.

The t (partial) test is used to see the effect of the independent variable (X) individually / partially on the dependent variable (Y). The t (partial) test is carried out by entering the questionnaire data in SPSS with variables X1 (Gen Z Behavior) and X2 (Digital Innovation) as independent/free variables and

variable Y (Business Environment) as the dependent/dependent variable as The t test results are as follows:

Table 3: t-Test (Partial)

Model		Standardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.840	1.061		.792	.430
	TotalX1	.182	.065	.284	2.783	.006
	TotalX2	.560	.102	.561	5.503	.000

Dependent Variable: Y

Source: SPSS 26 Analysis Results

The t-test is carried out by comparing the t-count value from the analysis results table above with the t-table value at the 0.05 significance level with a sample size of 100 respondents (t table = 1.660). Based on the table of t-test results, it can be concluded that: Variable X1 has a t count value = 2.783, which exceeds the t table amount of 1.660, so that it can be interpreted that variable X1 (Gen Z Behavior) has a partial effect on variable Y (Business Environment). Variable X2 has an F-count value = 5.503, which exceeds the F table amount of 1.660, so it can be interpreted that variable X2 (Digital Innovation) has a partial effect on variable Y (Business Environment).

The F-test is useful for seeing the effect of independent or independent variables simultaneously or together on the dependent variable. The f (simultaneous) test was carried out by entering the data from the questionnaire in SPSS with variables X1 and X2 as independent/free variables and Y as the dependent/dependent variable, as in the table. The following are the results of the F-test:

Table 1: F-Test

ANOVAa						
Model	Sum of Squares		df	Mean Square	F	Sig.
1 Regression	427.188		2	213.594	91.142	.000b
Residual	227.322		97	2.344		
Total	654.510		99			

Dependent Variable: Y Predictors: (Constant), X2, X1
The F-test is carried out by comparing the F-count value from the analysis table above with the F-table value at the 0.05 significance level with a sample size of 100 respondents (f table = 2.696). The f count result obtained is 91.142, so that it is greater than the f table value. This shows that the X1 and X2 variables simultaneously or simultaneously affect the Y variable.

Multiple Regression Test

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	Rekomendasi, Review, Kemudahan_Link, Diskon, Inovasi_Digital, Kepercayaan[b]	.	Enter

a. Dependent Variable: Peluang_Afiliasi

b. All requested variables entered.

Figure 1. Multiple Regression Test

Discussion

This study underscores the significant role of Generation Z in shaping new dynamics within the digital business landscape, particularly in the context of affiliate marketing. Growing up in an era of rapid advancements in information and communication technology, Gen Z demonstrates distinct behavioral patterns compared to previous generations. They exhibit a strong preference for authentic, community-based marketing approaches grounded in shared social values. Their purchasing decisions are often influenced by trust in influencers, personal experiences, and alignment with their personal identity and values. Empirical findings reveal that both Gen Z behavior (X1) and digital innovation (X2) exert a significant influence—both individually and collectively—on the affiliate marketing environment (Y). The results of the statistical analysis show that Gen Z behavior contributes positively to the evolution of affiliate marketing models, promoting greater flexibility, decentralization, and community orientation. Concurrently, advancements in digital innovation, such as personalization algorithms, artificial intelligence (AI), and app-based affiliate platforms, enhance the efficiency of marketing processes and foster deeper consumer engagement.

Methodologically, the study employed a quantitative approach using a structured survey administered to 100 Indonesian Gen Z respondents who are active social media users with experience in affiliate marketing. Validity and reliability tests confirmed the robustness of the research instruments. Furthermore, multiple linear regression analysis demonstrated that both independent variables (X1 and X2) significantly impact the dependent variable (Y), thereby suggesting that affiliate marketing strategies tailored to Gen Z behavioral characteristics and supported by digital innovation are likely to achieve greater success.

From a practical perspective, these findings offer valuable insights for industry practitioners and marketers in developing more effective and targeted affiliate marketing strategies. This includes selecting appropriate digital platforms, designing relevant communication approaches, and empowering Gen Z as active participants in affiliate marketing—whether as influencers, content creators, or engaged consumers. Theoretically, the study enriches the body of literature on digital consumer behavior among younger generations and contributes to emerging discourses on generational entrepreneurship and value-driven digital marketing. In conclusion, Generation Z should not merely be regarded as a promising market segment, but rather as a dynamic force actively reshaping the digital business ecosystem through affiliate marketing. Their distinctive, non-mainstream approach, openness to innovation, and strong digital fluency position them as key drivers of future transformations in the business landscape.

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