

NEXT GENERATIONS OF CONSUMERS – CHALLENGES AND OPPORTUNITIES FOR BRANDS

Young people are a heterogeneous public, characterized by a lack of patience and attention, eager to learn more about things but without reaching a level of depth, always connected and always running, hungry for goods, but lacking money. The young are also the most desirable audience for brands, in terms of long-term loyalty but also the most difficult to deal with and to be convinced.

Thus, the present study aims to define the characteristics of the generation Z that includes people born between the mid-1990s and 2010, in comparison with its previous generations: Baby Boomers, X, Y and some proposals on how brands might make themselves useful for this audience.

Keywords: generation Z, digital, audience, brands, loyalty.

Introduction. We generally may define Generation Z as the generation born between the second half of the 90's and 2010. Researches show that almost 90% of the members of Generation Z cannot live without internet. They are known by several other names such as: Digital natives, Digital integrators, Zeds, Zees, Bubble-wrap kids, The new millennials, Screenagers, iGen, Generation M – multitasking, Generation C – Connected Generation, Teens, Tweens, Click'n go kids etc. (Budac C., 2014)

They are young people who grew up spending a lot of time in front of the computer and playing video games, navigating on the Internet since early age and who could not imagine the world without mobile phones.

When they cannot be online, they have a strong emotional reaction, being deeply upset for not being in touch with the world and their friends. Because of economic and political factors digital natives don't have an optimistic attitude about the future, and they have pessimistic thoughts about employment opportunities.

The fact that they were born into a digital world makes them different from previous generations, especially through the influence of intellectual technologies on their brain. Frequent use of search engines documentation determine young users to consider to be relevant only the most popular articles and the development of social networks forces them to always be aware of what is new. These characteristics of Internet use leads to an audience who gets bored quickly, superficial and absent-minded, always connected and available and so easily disturbed. These narcissists claim for immediate answers and quick results. Therefore, brands should make things attractive from the beginning, simple, relevant and on their language, giving time and to invest in quality and not quantity.

Insights and Observations about Generation Z.

These young people who are presently between 5 and 19 years are used to explore and discover things by themselves. Their parents educated them in a less authoritarian manner and left them to discover all sorts of things. Unlike the previous generations, the young belonging to the Internet generation always had instant access to a great deal of information on various topics and learned how to orient themselves (Budac C., Baltador L.A., 2014).

The Zeds are able to quickly communicate their preferences to all their virtual friends. They find a great pleasure to identify and share the coolest things in the world. Thus, they become true supporters of products they set their heart on. They usually express themselves very easily about things they do not like through the means of social media.

Being used to solitary Internet browsing and online socializing, the young of generation Z are not very good at

teamwork. Unlike the generation Y, who are good communicators, young people under 20 prefer to work without any help, to solve projects on their own.

Neither face to face communication is an advantage for them; they would rather communicate in writing using text messaging, Yahoo Messenger, Facebook etc. An explanation would be the frequency with which they are used to exchange messages and face to face meetings would not allow them such a variety of topics for discussion.

For young generation Z information processing time is much shorter. It is a normal result of the speed with which they are used to move on the Internet from early childhood. They easily select and process the virtual information and this fact will really help them later for their jobs and for the employers this will be a great advantage.

They are not loyal to certain brands or employers. Young Internet navigators are less interested in brand identity and history, they are interested in the product itself. They are more pragmatic than previous generations; they easily pass from one product to another and probably from one employer to another.

Another characteristic is that they do not like to be controlled. Young people under 20 years expect flexibility from their employers. They want to work from home, to have a flexible schedule which allows them to include their personal projects within those from work.

Generation Z is a global, social, visual and technological generation. They are the most connected, educated and sophisticated generation ever. They are young people, teenagers, children of our global society; the early acceptant customers, influencing brands, the ones who impose themselves on social media, the pop culture leaders. They comprise nearly 2 billion people globally and they don't just represent the future, in fact they are creating it. (McCrindle Research Agency). Although they were born in a world facing global problems like terrorism, recession and climate changes, it is estimated that they will spend their mature years in a world reborn from economic and social point of view. They are today's students and graduates, but they are also the employees and buyers of tomorrow with an unprecedented influence over the purchasing decisions of their parents. (Claire Madden, 2013)

The gap between the students of today and their parents, is that the students of 30 years ago was in fact deepened by the development of a society free of the communist restrictions and by technological changes as well (see table 1.). The generation of people born after 1996 lived their entire life under the "domination" World Wide Web, as opposed to Generation Y (people born between 1980 and 1995) and Generation X (born between 1961 and 1979).

The Internet represents for Generation Z what television meant for Generation X. In the age of technology, the iPod has replaced the old pick-up and vinyl discs and the HC Romanian computers that kids used to play on in the past can only be found in museums.

To summarize, there are four basic features of generation Z namely (Grail Research Study – a division of Integreon, 2011):

- It is a generation familiar with and even dependent on technology brought up into a digital world where technology has always been present;
- The members of this generation are constantly multi-tasking, using a variety of online as well as sophisti-

cated electronic devices and they appreciate simple and interactive design;

- Generation Z is more socially responsible due to huge access to online information and is much more aware of modern challenges such as terrorism and climate changes;
- These young people are always connected, they communicate through a variety of online social networks, often communicating with young people from other countries and cultures that have no significant influence on their decision-making process.

Table 1. The 5 Global Generations Defined by Name, Year of Birth, and Social Influences Builders

	Builders 1925-1945 Aged 70s-80s	Baby Boomers 1946-1964 Aged 50s-60s	Generation X 1965-1979 Aged 30s-40s	Generation Y 1980-1994 Aged 20s – early 30s	Generation Z 1995-2010 Aged kids – teens
Iconic Technology	Radio Motor vehicle Aircraft	TV Audio cassette Transistor radio	VCR Walkman IBM PC	Internet, email, SMS DVD Playstation, Xbox, iPod	MacBook, iPad, Google, Facebook, Twitter, Wii, Android iPod
Music	Jazz Swing Frank Sinatra	Elvis Beatles Rolling Stones	INXS Nirvana Madonna	Eminem Britney Spears Puff Daddy Jennifer Lopez	Rihanna Justin Bieber Taylor Swift
TV&Movies	Gone with the wind Clark Gable Advent of TV	Easy Rider The Graduate Colour TV	ET Hey Hey It's Saturday MTV	Titanic Reality TV Pay TV	Avatar 3D Movies Smart TV
Popular Culture	Flair Jeans Roller Skates Mickey Mouse	Roller Blades Mini Skirts Barbie/Frisbees	Body Piercing Hyper Colour Tom Jeans	Baseball Caps Men's Cosmetics Havaianas	Skinny Jeans V-necks RipSticks
Social Markers / Landmark Events	Great Depression Communism World War II Darwin Bombing Charles Kingsford Smith	Decimal Currency Neil Armstrong Vietnam War Cyclone Tracy National Anthem	Challenger Explodes Haley's Comet Stock Market Crash Berlin Wall Newcastle Earthquake	Thredbo Disaster Columbine Shooting New Millenium September 11 Bali Bombing	Iraq/Afghanistan war Asian Tsunami GFC WikiLeaks Arab Spring
Influencers	Authority Officials	Evidential Experts	Pragmatic Practitioners	Experiential Peers	User-generated Forums
Training Focus	Traditional On-the-job Top-down	Technical Data Evidence	Practical Case studies Applications	Emotional Stories Participative	Multi-modal eLearning Interactive
Learning Format	Formal Instructive	Relaxed Structured	Spontaneous Interactive	Multi-sensory Visual	Student-centric Kinesthetic
Learning Environment	Military Style Didactic & disciplined	Classroom style Quiet atmosphere	Round-table style Relaxed ambience	Café-Style Music&Multi-modal	Lounge room style Multi-stimulus
Sales& Marketing	Print & radio Persuasive	Mass/Traditional media Above-the-line	Direct/Targeted media Below-the-line	Viral/Electronic Media Through Friends	Interactive campaigns Positive brand association
Purchase Influences	Brand emergence Telling	Brand-loyal Authorities	Brand switches Experts	No Brand Loyalty Friends	Brand evangelism Trends
Financial Values	Long-term saving Cash No credit	Long-term needs Cash Credit	Medium –term Goals Credit savvy Life-stage debt	Short-term wants Credit dependent Life-style debt	Impulse purchases E-Stores Life-long debt
Ideal Leaders	Authoritarian Commanders	Commanding Thinkers	Co-ordinating Doers	Empowering Collaborators	Inspiring Co-creators

Source: mccrindle.com.au, 2012.

Generation Z or digital integrators have perfectly included technology into their lives and began to use it since early age which was considered something absolutely normal, like the air we breathe, using it in almost all activities and aspects of life. For example, studies have showed that young people are not accustomed to wear watches because they have come to use mostly the smartphone for various purposes from finding time to finding different ways to get information about weather or taking pictures.

For digital natives, technology has broken the boundary between social and professional life, between study and leisure, and between public and private. Simplicity and

flexibility has made room in their tumultuous lives as true benefits that technology brings to these digital integrators. They live in an open environment, only a few clicks away from any information, with the ability to connect in a world without borders, beyond cultures and countries; within the communities that they communicate with short texts, visuals and videos have become true instruments.

Generation Z is the most technologized and socially involved generation of very intuitive young people so familiar with digital technology and being much too young to remember about its appearance. They grew up and socialized using various electronic instruments like computers (especially

for the Internet), mobile phones, mp3 players, video games, DVDs, cameras, video cameras, memory cards.

Gen Z is the first truly digital generation. Through technology, globalization and cultural differences of our times, fashion, food, online entertainment, social trends, media are more global than ever.

In most cases, adults consider them to be recalcitrant, rebellious and extremely noisy noting the way they behave themselves. Today, for them, the rules are more permissive and parents inculcated teenagers with another kind of attitude. This does not necessarily mean that they are more brave. Rebel teenagers have existed in the previous generations of young people as well, but the way of rebellion is totally different.

The Impact of Technology on Youth. Young people who have grown up and live in the age of technology have a much more access to information, which should be an advantage for their intellectual development. There is also a reverse of the coin: the invasion of technology exposes children and teenagers to certain risks. The computer can do many things for them, therefore, some of them end up in the situation of being unable to do simple calculations or not knowing how to write by hand. Technologies have great impact on children's social skills and inhibits creative thinking. Experts say that many adolescents who isolated themselves in the virtual world are not able to identify emotions and feelings in the people around them. A "side effect" of using the computer is their aggressive behavior. Teenage girls today do not dream to become another Nadia Comaneci, like those girls in the 80's. Neither teenage boys are no longer attracted by professional sports, except perhaps they have the passion for football, but put into practice rather with virtual balls. Almost half (43%) of the children in Romania do not practice any sports activities, while the involvement of children in such activities organized outside school is only 14% according to a survey conducted by Procter & Gamble.

The fact that today's society is increasingly oriented towards immediate gain is reflected in career related aspirations of youth. The young generation Z no longer sees in school, studies as a career start, as proof we have different examples of successful entrepreneurs who have never completed their studies. That is why kids have come to seek the shortest and immediate ways to get money. At job fairs the most wanted jobs addressed to graduates are those very well-paid in management. Yet, those who are aware of the importance studies orient themselves towards pragmatic professions being interested in developing trade skills rather than those related to science or creativity. More and more increasingly popular have become new areas such as communication and public relations, but also the IT&C industry.

With online learning opportunities and due to fast and flexible delivery, orientation towards student (in case teaching and learning are designed to meet the needs of the student) is critical.

In an age where information is everywhere, messages rely increasingly more on image and signs so that brands communicate through logos beyond language barriers, color and image, rather than using words and complex sentences. The learning style of the younger generation is more based on visual and interactivity rather than on the traditional lecturing method in which information used to be delivered.

Effective involvement in learning environments has shifted from verbal to visual, from sitting and listening to try and see from focus on curriculum to focus on the learner (student). While traditionally, the teacher was the source of knowledge (information), access to technology nowadays helps young people to access any information in a very short time so that the teacher's role has radically changed from the traditional role to the one which guides and makes learning easy. The focus has shifted from the content (what) to the process (how) and from examinations with no open books allowed to a world with open books (see figure 1).

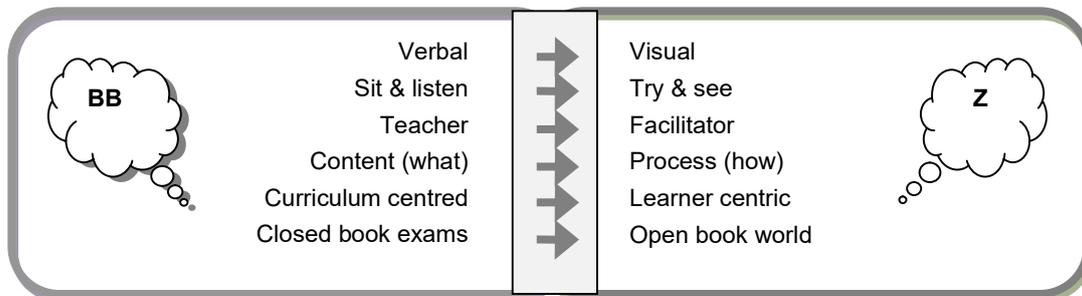


Fig. 1. Differences in learning process

Source: author's

By means of these related Internet skills, this generation expert in every aspect of technology has been shaped to perform multiple tasks simultaneously. They move quickly from one task to another, most often adding more value than accuracy. The world they know is dominated by hyperlinks, wireless, generated content by users; the world is just a few clicks away from any information, making the world an open book for the young generation Z.

In today's world, in which adolescence begins earlier, young people between 8 and 12 years have knowledge of brands, they are aware about fashion and they are influenced by their peers; this fact is due to frequent exposure of these young people to inappropriate information for their age.

Due to the fact that adolescence begins earlier, the youth are making pressure in order to be independent, they

are very focused on relationships with their mates, and engage themselves in risk-taking at a very early age.

The Zeds are the generation that is growing up and developing rapidly, and this fact was showed by World Health Organization according to which every decade the age of starting puberty drops by three months. These young people who become part of the education process much faster they are exposed to marketing campaigns much earlier as well. Despite current concerns for the environment, the young generation Z is the most targeted by marketing campaigns because they are considered to be the biggest young consumers of all ages.

In terms of a complex life, full of worries and pressure, the adult care fell increasingly on children. One of the biggest concerns about young people is to housing access (the possibility to access), but also the possibility of finding

a job, the opportunity to be successful, the need for money, are also among the list of concerns related to teenagers. Gen Z kids are serious also because of additional pressures, the fact they belong to small families makes them less irresponsible.

It is a highly emerging generation, for many of them it is more convenient to view a video that summarizes the problem than to read an article that describes the problem. In this regard, there is a testify of over 48.500 searches / second on the biggest search engine, Google, and nearly 99.500 YouTube videos viewed per second (www.internetlivestats.com, march 2015).

Generation Z Consumers. The pressure on these young people from the entourage, to keep up with the latest trends, is probably one of the most powerful in this era of consumerism. The targeted generation ever, the young Z is subjected to several tens of thousands of advertisements every year. Their parents usually have a satisfactory financial situation, thus they are more easily persuaded.

For the generations of 21st century educational and technological developments have psychological impacts. From comparisons made between previous generations and the generations Y-Z, it is clear that the way decisions are taken and how consumers are employed is changed. Today, brands have to deal with consumers who respond and are engaged emotionally rather than cognitively. They are influenced not only by the scientific method but also by the virtual reality. For them, it is a world of experiences not just of records.

To attract generation Z as consumer, marketing tools should be concerned in creating products that make youth feel socially connected, they should be fun, of entertainment, interesting, desirable, to contribute to the personal development, new and innovative.

Young Generation Z have online conversations about brands long before companies even think to address to them with their marketing tools; this makes difficult to understand their future needs and desires. (Jamie Gutfreund, Chief Strategy Officer of the Intelligence Group).

Targeting Generation Z. Brand marketing of this young audience is more challenging because they are much less concerned about brand loyalty (Rory Kaluza, Branding Magazine, 2013). Therefore, carefully designed brand creations are less efficient in sales converting this target audience. Most consumers Z, are more likely to buy a product recommended by a friend, or social media influencer. For example, the buying decision may be taken strictly based on some pictures on Instagram, Facebook etc.

According to Kathy Savitt (2011), companies that expect loyalty from generation Z towards brand image and marketing messages they see that their effort is in vain. With Generation Z things do not work this way, the product is the one which is appreciated and the young are indifferent to marketing campaigns.

Power sales will increase for those brands that understand that only significant constant is the art of digital product storytelling. This can be done by the influencers of marketing or encouraging the content generated by users through social campaigns.

Promoting digital exposures is inviting young audience to share their experiences by posting videos and photos. Digital evidence thus obtained may encourage sales, young people becoming rather careless. The goal is to create an environment where influencers distribute organically the lifestyle of products.

We should not ignore platforms like YouTube, Instagram, Facebook and Google. The young generation Z uses mobile to view digital content so that brand strategy should meet the requirements for smartphones and tablets.

Conclusions. In conclusion, companies targeting the young generation Z should (Grail Research Study – a division of Integreon):

- adopt marketing tools based on new technologies and marketing channels as: text messages (SMS), mobile Internet, social networking portals, etc.;
- target the young as early as possible;
- develop its presence in the online virtual environment with product information and purchase facilities;
- launch products with a high quality in terms of ratio quality / price with a simple and interactive design
- provide "green" products and services and adopt a proactive approach to the environment.

Discussion block. This paper is part of a research project whose aim is a better understanding of young Romanian generation, their behaviors and attitudes in relation with brands in order to make marketing costs more efficient. Marketing investments in this customer segment are made of investments in channels and tools relevant for communication with this target. Such a study is necessary, whereas relevance, consistency and authenticity in brand's communication become really viral for youth.

Although, the trend is the target be more active and involved in choosing the brand, consumers' reaction at brands' messages are different according to their culture and socio-economic factors.

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А. Будац, канд. екон. наук, асист.
Університет імені Лучіана Блага, Сібіу, Румунія

НАСТУПНІ ПОКОЛІННЯ СПОЖИВАЧІВ – ВИКЛИКИ І МОЖЛИВОСТІ ДЛЯ БРЕНДІВ

Молодь – різномірне суспільство, яке характеризується відсутністю терпіння і уваги, допитливі, але поверхневі, завжди на зв'язку і завжди біжать, з сильним бажанням володіти товарами, але відчують нестачу в грошах. Молодь також є найбільш бажаною аудиторією для брендів з точки зору довгострокової лояльності, але з нею найбільш важко мати справу, важко переконувати.

Таким чином, дане дослідження спрямоване на визначення характеристик покоління Z, яке включає людей, що народилися в період з середини 1990-х років і до 2010 року, в порівнянні з його попередніми поколіннями: бебі-бумерів, X, Y і містить деякі пропозиції про те, як бренди можуть зробити себе корисними для цієї аудиторії.

Ключові слова: покоління Z, цифровий, аудиторія, бренди, лояльність.

А. Будац, канд. екон. наук, асист.
Університет імені Лучіана Блага, Сібіу, Румунія

СЛЕДУЮЩИЕ ПОКОЛЕНИЯ ПОТРЕБИТЕЛЕЙ – ВЫЗОВЫ И ВОЗМОЖНОСТИ ДЛЯ БРЕНДОВ

Молодежь – разнородное общество, которое характеризуется отсутствием терпения и внимания, любознательные, но поверхностные, всегда на связи и всегда бегущие, с сильным желанием обладать товарами, но испытывающие недостаток в деньгах. Молодежь также является наиболее желательной аудиторией для брендов с точки зрения долгосрочной лояльности, но с ней наиболее трудно иметь дело, трудно убеждать.

Таким образом, настоящее исследование направлено на определение характеристик поколения Z, которое включает людей, родившихся в период с середины 1990-х годов и до 2010 года, по сравнению с его предыдущими поколениями: беби-бумеров, X, Y и содержит некоторые предложения о том, как бренды могут сделать себя полезными для этой аудитории.

Ключевые слова: поколение Z, цифровой, аудитория, бренды, лояльность.

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L. Bunescu, PhD in Economics, Teaching Assistant
Lucian Blaga University of Sibiu, Sibiu, Romania

GRAPHICAL ANALYSIS OF LAFFER'S THEORY FOR BENELUX COUNTRIES DURING 1995-2012

Concerns about finding a tax burden rate, that generates the largest amount of tax revenues, have attracted the attention of researchers all the time. Law scarcity of public financial resources in relation to public expenditure determines the continuous monitoring of the evolution of binominal concepts: fiscal pressure versus tax revenues. The most simple and practical approach is given by the well-known Laffer's curve. This paper aims to determine in graphical representation of the curve for Belgium, Netherlands and Luxembourg. The research is based on data provided by the European Commission for 18 years. Conclusions for Benelux countries refer to the fact that the optimum value of tax burden is very closed to the maximum tax burden applied by them (the differences are below 1 percent), even equal for Belgium. Moreover, Luxembourg and Belgium are positioned in the admissible area of this theory, while the Netherlands have a fluctuant position.

Keywords: fiscal optimum, tax, tax policy.

Introduction. Both theoretically and empirically, taxation is an attractive research topic, since real life challenges associated with collecting taxes are related to analytical concerns of scientists. Taxes are a category of public revenues which differ from the other forms of financing. A tax system should provide optimum performance for individual initiative in a market economy, but also to take into account the psychological attitudes of citizens. How the tax system of a country combines the prin-

ciples of taxation, choosing one way or another in solving many complicated and conflicting situations, reflects political, economic and social priorities. Although the issue of optimum tax was the subject of intensive debate, it currently remains a vague concept.

Economists around the world have expressed interest in establishing a threshold for optimal tax burden in order to develop decision. The trend of increasing fiscal pressure and exceeding the limits set by theory, have endangered