



LEVERAGING CHOCOMEL BRAND ENGAGEMENT BY UNDERSTANDING GEN Z CONSUMER PREFERENCE IN SPAIN: HARNESSING DIGITAL TO CHANGE THE GAME

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ABSTRACT

This study aims to determine the relevant strategy to engage with the target consumer, the Zoomers, by analysing their buying behaviour and purchasing decisions for Chocomel, one of the flavoured dairy drink companies in Spain. Concurrently, the company has no experience in approaching and engaging this target group in Spain. The approach is expected to boost brand recognition, purchase intention, and engagement. In order to establish an effective strategy, comprehensive data is required. Therefore, the authors gather information during their internship and distributed questionnaires to Spanish Gen Z who have previously purchased Chocomel.

The findings of this study indicate that Chocomel's new target market in Spain, Generation Z, shows passive (71%) engagement assessed from five conceptual relationships of consumer brand engagement, whereas purchasing intent and customer enthusiasm are high. This indicates that Chocomel has an encouraging opportunity in this market and has to improve brand recognition to promote meaningful engagement.

In addition, this study recommends establishing a transparent, perceptible engagement approach and prioritising personalization in order to foster brand recognition and consumer engagement. In the recommendation chapter, the author additionally specifies the strategies Chocomel must comply with to optimise the entire consumer journey, enabling the company to acquire long-term relationships with customer.

Keywords : Generation Z, consumer brand engagement, consumer behaviour, brand positioning, purchase decision, digital marketing, Spain

1. INTRODUCTION

As one of the largest dairy companies in the world since 1871, FrieslandCampina has a competitive history dating all the way back then and are expected to excel in the future. For the past century and a half, the business has been turning milk from local dairy farms into a diverse assortment of dairy products and ingredients. By doing so, FrieslandCampina ensures that hundreds of millions of people all over the world have access to the beneficial nutrients one which milk provides. FrieslandCampina offers a range of products that are geared to meet the needs of specific nutrition on specific consumer groups, such as the nutritional requirements of children, the elderly, athletes, professional customers, and

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international food producers and pharmaceutical companies. FrieslandCampina is dedicated to providing people in a variety of markets around the world with dairy products that are both reasonably priced and contain important nutrients derived from milk. They are always working to increase their market share, and one example of this can be seen in Spain with their brand Chocomel and its chocolate flavoured milk. This is all a part of the company's plans to expand its dairy product offer to consumers between the generations. In this manner, the company seeks to strengthen and consolidate its presence and expertise as an international dairy sector specialist. FrieslandCampina Iberia is committed to its consolidation in the Spanish market as a long-standing international dairy company, and the presentation of this new brand provides an excellent opportunity to both expand the product portfolio and experience profitable growth. With these two factors in mind, FrieslandCampina is committed to the success of introducing this new brand.

To pursue the larger objective of accompanying Chocomel's consumers on new consumption occasions, Chocomel required to re-define its target market and bridge the entire consumer journey. Nevertheless, the sentiment in Spain itself is not yet known; which required thorough comprehensive research. Thus, through this study, these factors contributing to the success of the engagement strategy of Chocomel in Spain will be determined along with the optimal strategy to leverage the relevant approach to this segment in order to maximise the potential of this approach.

The fundamental purpose of this study is to investigate how FrieslandCampina can successfully engage Generation Z customers in Spain in context to the Chocomel brand, which is the primary research question. To compete effectively in the fast-paced and competitive marketing environment, it is imperative to highlight the target market's behaviour and have a deep understanding of its driving factors. This research is also attempting to obtain an understanding of brand growth responding to engagement strategy as new comers in the market. This will be done by gaining an overview of the consumer behaviour of Generation Z as well as the key elements that must be optimised to excel in the saturated market.

2. RESEARCH PROBLEM DESCRIPTION

According to the company's database (Truth or Diary, 2022), Generation Z in Europe has the highest opinion of flavoured dairy beverages compared to other generations. Chocomel Team, 2022). The greatest obstacle, however, is that Chocomel does not know how to approach and engage the Gen Z target audience. According to an interview with the Chocomel team, Chocomel's primary challenge is to create a meaningful personal experience between brand and consumer through meaningful interaction in order to effectively respond to future market opportunities and continue to add value. On the other hand, the consumption habits of Chocomel's target market in Spain are vague and ambiguous in their early phases of market penetration, coupled with the changes and phenomena that occur, encouraging a sustainable approach to consumers. Thus, the primary objective of this study is to assist Chocomel in identifying a relevant method to reach and engage its target consumer, the Zoomers, by gaining an understanding of their purchasing behaviour and purchasing decision.

3. RESEARCH QUESTION AND METHODOLOGY

In this research's methodological procedure both qualitative and quantitative methods will be used. Different methods are applicable to different research question of this research. The research will be supported by both primary and secondary data. Primary data will be gathered to obtain reliable data by conducting online survey for addressing the research problem regarding consumer behaviour and engagement that will be shared through various online platform. The population in this research is generation Z. The samples were taken from 187 people age between 15-27. The sampling technique is purposive sampling, which is people born between 1995 – 2007 as the generation Z cohort (Goh & Lee, 2018). Moreover, interview with the Chocomel team also executed to investigate Chocomel current situation, targeted market and start up market of Spain. Furthermore, secondary data will be gathered from previous study on the same interest by utilizing journal, e-books, company report, and statistic data to support the finding.

3.1. Research Question

To explain the methodology, followed are the theories, concepts and or models will be used in this research on how each research sub question will be answered:

1. What is Chocomel current engagement on Gen Z consumers in Spain?

a. How does Chocomel position itself towards the Gen Z target group in Spain?

The act of designing a company's offering and image to occupy a special place in the minds of the target market in this study is that Generation Z will be analysed using the 4ps of marketing mix (Place, Price, Product and Promotion) that are impacted internally and externally. To identify what consumers want, how their products meet their needs, how people see their brand and products (stand out), and how they should interact with the customers (Twin, 2021).

b. How does Chocomel currently engage Gen Z in Spanish market?

The current engagement will be examined by executing interviews regarding the engagement campaign of Chocomel in Spain online and supported by internal report regarding the outcome of the strategy influence the sales and brand performance of Chocomel.

c. Which channels are used to approach Gen Z?

The influence of non-personal touchpoints (traditional advertising media, social media) and personal touchpoints (field salesforce, in-store personnel) on brand engagement will be investigated. Gen Z are the digital native generation that rely on the usage of digital platform or internet in their daily life including gain information about a product or service until purchasing. This has introduced new channels of brand communication and the application of online tools to engage with consumers. Thus, the channel used by Chocomel to introduce the brand in the new market will be investigated.

2. How does the Gen Z buying behaviour influence their purchase decision?

a. What is Gen Z consumer behaviour towards chocolate milk in Spain?

Cross sectional survey will be shared online to Spanish Gen Z using the Black Box model. This type of survey is suitable because it is relative quick to conduct with possibilities to collect all variables and multiple outcomes can be researched at once. The black box model shows how stimuli, consumer characteristics, decision

processes and consumer responses interact. The stimuli can be distinguished between interpersonal stimuli (between people) or intrapersonal stimuli (within people) (Sandhusen, 2000, pp. 218-219).

- b. What influences Gen Z's purchase decision?
Consumer purchase decision is the output of the black box model of consumer behaviour as this model says that consumers are problem solvers who make decision after judging how the product satisfy their existing believes and needs Thus based on this, the factor influence the purchase decision of Gen Z will be examined.
 - c. Why do Gen Z drink the Chocomel brand?
To analyse the reason why behind a consumer mind to decide a product, participants are asked to choose and/or rate on a scale regarding the reason that make them choose Chocomel, this result will also proof the Means-end theory regarding a product and service attributes are associated with consequences, or product benefits and risks, and even the personal values the product can help consumers fulfil. The result is a value chain linking a product attribute to its functional consequence, to the psychosocial (or emotional) consequence, to the underlying personal value. As comparison and supplement, the survey will also base on the black box model of consumer behaviour as this model explain how consumer buy products that go along with their lifestyle and preference.
 - d. Where do Gen Z consumers buy chocolate milk?
To answer this research sub-question, survey was distributed to Gen Z participants in Spain regarding their preferences regarding their preference of a product. To keep the portfolio of brands relevant to Gen Z, the researcher will map the most of the brand opportunities using a strategic tool called OBPPC which focuses on identifying for every occasion (O) the right brand (B) in the right package (P) at the right price (P) and sold through the right channel (C). This enables to unlock revenue growth, to innovate the product offering in the marketplace and to win or maintain market share when competitors are struggling to do so despite challenges in some regions, Spain emerging markets could continue to grow and offset some of the challenges from elsewhere.
3. What should FrieslandCampina change/do to engage Gen Z consumers in Spain?
Based on the data that has been collected from the survey distributed to Gen Z participants in Spain, interviews conducted by the researcher with Chocomel team and stakeholders, the strategy formulation will be optimized through the results of the analysis. The intensity of consumer engagement is highly dependent on the contextual conditions. Thus, the strategies and categories available will be examined as well as an analytical tool for assessing the nature of engagement associated with each strategy and category. By understanding which categories trigger the highest and most positive engagement amongst consumers, marketers can place those categories at the heart of their future marketing strategies.
4. What is the impact on the other company domains?
The execution of a strategy will inevitably affect other domains within a company. Therefore, an analysis will be carried out on how this strategy change will affect the company as a whole in terms of capturing all 4 IB-domains (marketing, finance, operations and human resources).

4. RESULT AND DISCUSSION

The results of this research are: First, Chocomel's brand positioning in Spain is in the Winning Zone due to its unique flavour and consumer-driven product varieties. Second, analysis of buying behaviour and purchase decision of Spanish Gen Z to foresee Chocomel opportunities for acquire and retaining new customer. In Spain, Generation Z is a digitally adept generation with strong awareness of social issues, sustainability, and personalization with growing increasingly accustomed to and appreciative of the convenience of online food shopping. Lastly, suggestion formulated for Chocomel as factors that Chocomel should maintain and further improve based on the research findings. Based on these results the following recommendations were made: First, Chocomel should adopt a transparent, perceivable engagement approach, prioritize personalized offerings, and showcase their ethical practices to increase brand recognition and customer engagement. Additionally, by involving customers in the product development process and creating opportunities for co-innovation, Chocomel can increase consumer engagement. Not only allows for tailored product development it also strengthens brand awareness and social media presence. By engaging with customers throughout the entire consumer journey, Chocomel can build a stronger and more loyal customer. Accordingly, sales revenue increased as well as brand growth in the Spanish market. When implementing the recommendations the company faces some consequences in a wide sense, taking into account all of the ways in which marketing is beneficial as well as the accountability for business results. On the other side, to support the execution, recruiting and training programme is fundamental to encourage commensurate talent. In addition, customers' demand will ascent as the level of engagement rises. As a result, production would go up. Following that, a mature approach is needed to make it even more cost efficient while ensuring Chocomel to be able to meet the increasing demands of customers.

4.1 Chocomel Current Engagement On Gen Z In Spain

Chocomel's brand positioning in Spain is in the Winning Zone, with a distinctive chocolate flavor and various product variants that meet consumer demand. As a powerful FC brand in the Netherlands, Chocomel has a strong competitive advantage due to its creamy chocolate taste and aspirational characteristics. With a broad target market of Generation Z, Chocomel faces strong competition from large players in the same industry. Gen Z's preferences influence their purchasing decisions, making it crucial for Chocomel to maintain its position and brand image to attract customers and avoid product substitution. To engage its Gen Z target market, Chocomel currently uses social media. The survey results show a passive result in brand engagement, but the high buying intention and enthusiasm indicate a positive opportunity. Chocomel should increase brand familiarity and expand its promotion on platforms like YouTube and Facebook to engage with Generation Z. Spanish consumers score highly on uncertainty avoidance, requiring product attributes to be clearly spelled out with guaranteed benefits and specified features.

Chocomel's experience on the mature market does not guarantee that it will easily enter new markets, and the implementation of its strategy must be adapted to the current market environment in order for Chocomel to thrive and expand. The study reveals that consumer brand engagement in Spain is still relatively low (detractor). According to Hagel (1999), when members demonstrated strong loyalty, they were more likely to exhibit a high utilisation rate, a relatively high level of engagement, and closer-than-usual connections, leading in higher-than-usual member loyalty. Loyal members may continuously and significantly influence the thoughts and activities of other brand community members,

constantly sharing information as other members reference their brand assessments (Muniz, A.M., 2001). In their exploratory investigation of customer involvement in a virtual brand community, Brodie, Ilic, Juric, and Hollebeek (2013) observed that the customer engagement process promotes consumer loyalty, satisfaction, empowerment, connection, commitment, and trust. This is a disadvantage because it leads to low customer loyalty and repeat purchases, as well as a low customer lifetime value. As a result, the customer journey is incomplete and other marketing efforts are ineffective.

4.2 Gen Z Buying Behaviour And Purchase Decision

Consumers' wants and needs can't be satisfied without the items and services that marketing makes possible. Chocomel, the want for nutritious chocolate milk, is a good illustration of this type of craving. When it comes to satisfying customers' desires, marketing is an integral aspect of the industry. Indulgent or energising beverages most frequently consumed by respondents to a survey were those made from dairy, coffee/tea, energy, soft, and plant-based ingredients. Veganism and a focus on healthful living have been popular among Spanish consumers in recent years (2022). Chocomel's popularity among members of Generation Z can be attributed to the brand's high quality and affordable price. The fact that Chocomel cares about the environment is equally important. One in seven members of Generation Z do not enjoy grocery shopping, and one in seven cannot afford it. This generation also has less time to shop for food than other generations. This shows that fast trade can help this group by supplying what they need in a way that is both convenient and flexible. It is anticipated that the growth of e-commerce as a means of distributing drinking milk will continue. Online grocery shopping is becoming increasingly popular in Spain, especially among younger consumers.

The result also indicates that brand awareness in Spain has a significant impact on the strategic applicability of consumer brand engagement. The findings also indicate that Generation Z in Spain has a high level of brand enthusiasm and shared the same value with Chocomel since they are conscious audience, thus it should enhance their purchasing intention to Chocomel from the positive behaviour, this behavior would go beyond buying and is driven by motivational factors (Guerreiro, et al, 2021). However, brand engagement remains low because no effort has been made to respond to this enthusiasm. Due to the fact that Spain is a new market for Chocomel, brand recognition is not yet at its peak.

4.3 Engagement Transformation

Spanish Generation Z exhibits three significant behavioural patterns: perceivable engagement, self-value (virtue), and collaboration. The objective of FrieslandCampina, specifically with its brand Chocomel, is to strengthen its connection with Generation Z by aligning with their habits. This entails enhancing the customer journey, particularly during the conversion and engagement stages, which have been identified as areas lacking in the current strategy and contributing to a low Customer Brand Engagement (CBE) score. There is a growing need to place greater emphasis on experience and personalised service for Generation Z, with a particular focus on enhancing content quality and user interface. In addition to this, it is imperative for the brand to develop a comprehensive understanding of its customers, surpassing the conventional brand-customer interaction. This entails cultivating a sense of camaraderie by providing support and aligning with shared values, all with the aim of fostering a more promising future. Through a comprehensive understanding of the unique attributes of customers and their respective values, Chocomel is able to effectively adapt and evolve across generations and eras.

This study recommends that Chocomel implement 360 engagement strategies, to not only build customer trust and loyalty through transparent engagement, but also covers collaborative engagement for the customer cognitive processing, as well as strategic market-based partnership. In its efforts to cover new markets by penetrating into the Spanish market, Chocomel is still lagging in terms of brand awareness. The research indicates that its target demographic, Generation Z in Spain, is enthusiastic about the brand. This demonstrates that the untapped aspect of brand awareness is a disadvantage, as the long-term value of marketing efforts (customer loyalty and repeat purchases) will never be obtained. The current nature of the Spanish culture is such that people have a propensity to accept quality products and have clear product features; as a result, Chocomel will definitely need to adapt and implement a transparent engagement in order to accommodate this nature.

For these reasons, Chocomel must develop a strategy based on transparency, partnership, and collaboration in order to foster meaningful engagement with its customers through connection. In addition, this study reveals that the majority of Spanish individuals seek information via social media. Therefore, it is essential that Chocomel consider various strategies and platforms for achieving its objectives. Increasing their online presence and making themselves more appealing to their target market will help them regain the upper hand.

4.4 IMPACT ON THE OTHER COMPANY DOMAINS

The findings of the analyses indicate that the implementation of the solution for FrieslandCampina has been effectively operationalized, suitable, rational, and productive across the three domains of finance, organization and people, and finance. These findings take into account the various ways in which marketing contributes to the company's success and the responsibility for business performance. Consequently, the execution of the solution carries significant implications. In the realm of human resources, it is imperative to prioritize the implementation of effective recruitment and training initiatives. These efforts are crucial for attracting qualified individuals and fostering digital proficiency, which in turn facilitates the successful execution of organizational strategies. In the operational domain, the focus lies on managing the supply chain and inventory, encompassing aspects such as product delivery, availability, and the process of transforming raw materials from the farm to the final bottled product. Moreover, as customers' level of engagement rises, their demand will correspondingly increase. The production is expected to experience a probable increase. Subsequently, the implementation of a comprehensive protocol is necessary to enhance cost-effectiveness while simultaneously ensuring Chocomel's ability to meet the increasing demands of its customers.

5. CONCLUSION

The findings of the study highlight two significant aspects that are emphasized by the black box model. The present study examines the shift in consumer behavior before and after the occurrence of various significant events, namely the perfect storm encompassing the Coronavirus pandemic, war, inflation, and climate change. This transformation in consumer behavior is viewed as a favorable circumstance for Chocomel to initiate its foray into the digital market. The current focus on health and the promotion of a sustainable lifestyle (Macro Trends Impacts for 2022, 2021) represents a paramount value that individuals in the business community must presently acknowledge and prioritize.

The second aspect pertains to the importance of brand stimuli in effectively meeting the needs of customers throughout the entire customer lifecycle. Consequently, it is imperative for businesses to engage in ongoing monitoring of shifts in consumer behavior to ensure the adaptability of their existing business model to evolving circumstances (Hermawan, 2021). In order to enhance their personalization endeavors, Chocomel could initiate the process by acquiring a deeper understanding of their clientele's desires and requirements. This facilitates businesses in acquiring insights about their clientele that surpass the limitations of relying solely on internal observations (Jaffery, 2022). In order to enhance its ability to effectively respond to the dynamic external environment, Chocomel should contemplate strategies for expediting its digital transformation. Digital technologies have enabled marketers to gain a deeper understanding of their target audience and customize their offerings to align with their specific needs and preferences (Chaffey, 2013).

The importance of digital marketing has been recognized by businesses in developed countries (Bala & Verma, 2018). They have realized the necessity of understanding and adapting to the unique characteristics of a digital society in order to effectively engage with its members. To maintain the relevance of the marketed product or service, a flexible business model necessitates a proactive and resilient examination of market trends, potentials, and opportunities that are currently or will soon be of significant interest to consumers. This entails substituting obsolete business practices with a novel business model that considers the evolving circumstances and business ecosystem.

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