



BEHAVIOR OF GENERATION Z IN UTILIZING SOCIAL MEDIA FOR DIGITAL ENTREPRENEURSHIP

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ABSTRACT

In the modern era today this, development technology give influence big to aspect social and economic society, especially among Generation Z. Influence the looks clear through pattern interaction, way work, and approach they in operate activity business. As generation that grew up in the midst of internet advancement, Generation Z does not only utilizing social media For communicate, but also use it as means For create opportunity business digital-based.

Research purposes This is For analyze How Generation Z utilizes social media as instrument in activity digital business, as well as identify factors supporters and the challenges they face face. Research This use approach qualitative descriptive with method studies library from sources scientific reputable and good natured access open.

Research result show that social media and digital literacy are becoming factor main influencing factors development digital business among Generation Z. Second factor This play a role important in push ability learning and innovation they are in the field digital entrepreneurship. However however, still there is obstacle like change platform algorithm, low literacy finance, as well as height level competition in the digital world.

Study This emphasize importance improvement education digital entrepreneurship and strengthening the business mindset creative, so that Generation Z is able to become driving force main in growth economy creative social media based.

Keywords : Generation Z, social media, digital literacy, digital entrepreneurship, business creative, digital economy

BACKGROUND

The development of digital technology is one of the most significant phenomena in the last two decades, which has changed human life in various fields of digital technology, socio-cultural to economic. Technological advances have not only changed the way people interact with each other, but also given rise to new technology-based economic trends. In the context of the modern digital economy, the entrepreneurial process is not only based on product innovation, but also on the ability to adapt to digital transformation and increasingly complex online ecosystems (Irawan, 2022). The main driver of economic growth in Indonesia is digitalization, especially among the younger generation who are more open to innovation and change. Generation Z, born between 1998 and 2012, is a generation that grew up due to technological advances. Understanding and utilizing technology makes this generation more quickly able to adapt to the rapidly changing digital world. The generation that has used digital devices such as computers, smartphones, and the internet since they were young, they are known as "digital natives" (Prensky, 2001). It is not surprising that many of them use social media as a productive means to channel creativity and earn income by creating economic opportunities independently. In recent years, social media platforms such as TikTok, Instagram, and

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YouTube have changed their purpose, not just as a place to hang out. Now, these platforms have become productive and strategic economic tools for the younger generation, especially Generation Z. The opportunity to express themselves clearly and create a digital identity that can generate real economic benefits through digital business activities (Firdaus et al., 2025) . The phenomenon of "from content to income" shows that creativity and innovation in the use of social media can be crucial in generating new ideas that are not limited by time or space. The shift in the modern economic paradigm from conventional production systems to a digital economy based on creativity. As a result, many young people have a strong desire to start their own business but lack understanding of digital business management and business strategy (Rahmadiane & Harjanti, 2024) . In addition, the negative impact of social media algorithms makes business operations unstable. The rapid development of algorithms often reduces content reach and hinders business growth, making it easier for business owners to continuously adapt to digital changes (Millah & Lukman Hakim, 2025) . According to (Nambisan, 2017) , digital entrepreneurship is a new form of entrepreneurship that emerges as a result of the integration of digital technology with modern business innovation. In this context, entrepreneurial success is not only determined by financial capital, but also by digital literacy, creativity and the ability to manage social networks. Therefore, Gen Z is not only a consumer or user of technology, but is able to create added value and sustainable digital economic innovation (Soni et al., 2025) . By analyzing the behavior, challenges, and factors that influence digital generation entrepreneurship, this study is expected to contribute to the development of the national creative economy. The results of this study are also expected to be a basis for educational institutions and the government in designing digital empowerment strategies that can optimize the potential of Indonesia's young generation as actors in the technology-based creative economy.

RESEARCH PURPOSES

1. Describes the behavior of Generation Z in utilizing social media as a means of digital entrepreneurship.
2. Analyzing supporting factors such as digital literacy, creativity, and business training that influence Gen Z's success in digital entrepreneurship.
3. Identifying the key challenges facing digital entrepreneurs, including reliance on algorithms, social media trends, and lack of understanding of business management.
4. Explaining digital entrepreneurship references in strengthening the role of Gen Z as agents of change in the technology-based creative economy.

PREVIOUS RESEARCH

Utilization of social media by the younger generation young people , especially Generation Z, in activity digital entrepreneurship shows significant dynamics . Research results (Rahmadiane & Harjanti, 2024) disclose that level creativity as well as ability in manage digital content is determinant main success businessman young people on platforms like Instagram and TikTok . While that , (Soni et al., 2025) confirm that digital literacy and skills adapt to change social media algorithms play a role

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important in guard sustainability digital business run by Generation Z. (Walhidayat et al., 2025) has show that social media own significant impact to growth visibility online business , especially in grow trust consumers .

Research conducted by (Millah & Lukman Hakim, 2025) show that one of challenge main challenges faced by young digital entrepreneurs lies in the changes trends and algorithms that occur in a way fast , so that demand level flexibility as well as sustainable innovation . In addition , (Nambisan , 2017) state that digital entrepreneurship is results from integration between innovation business and digital technology , which requires skills cross discipline , especially in aspect management information and creativity . In a way overall , findings from various study previously confirm that factors like creativity , ability build network social , as well as adaptability to development technology is determinant main success in digital entrepreneurship .

RESEARCH METHODS**Data**

Secondary data used in studies This originate from various literature academic , including journal national and international , articles scientific , report laboratory and documents related to discussing activity Generation Z, social media , and digital business . Collected through research sites access open such as Google Scholar, DOAJ, and ResearchGate using keywords such as " Generation 2," " digital entrepreneurship ," " social media behavior ," and " economy creative ." The data used No is number or results survey field but based on information conceptual and empirical that have been published . on the results study this , the seventh journal scientific have close relationship with focus research .

Method

With use approach descriptive qualitative research This Study use method library research. Based on the available information , the research This can describe phenomenon complex social with explain meaning , pattern behavior , and relationships between variables . Researchers use method library For analyze data through analysis relevant literature . The purpose of study descriptive qualitative is For understand phenomenon social with method serve facts in a way methodical and factual depending on the information available . Research This No use method quantitative Because No collect primary data from respondents or survey field , but rather with analyze secondary data originating from from various study previously . The main goal is For describe and summarize concepts , trends , and pattern behavior Generation Z in field digital entrepreneurship , so that use method qualitative descriptive with approach studies library considered the most appropriate .

RESULTS AND DISCUSSION**Results**

This section describes the key findings obtained from an analysis of seven scientific journals discussing Generation Z behavior in the world of digital entrepreneurship. The descriptions are presented descriptively and supported by visual models to clarify the relationships between the key factors identified.

1. Generation Z Behavior on Social Media

Name: Title

Based on the results of the study, Generation Z is the group that is most active in using social media for creative economic activities.

The younger generation's social media activities reflect a shift in modern entrepreneurial behavior, where social networks serve as a platform for building digital identities while expanding market opportunities (Kim, 2020). According to Firdaus et al., 2025, social media is not just a place for entertainment but also a platform for digital collaboration (co-creation experience), where Gen Z can act as both producer and consumer. Through platforms like Instagram, TikTok, or Shopee Live, they build personal brands, market products, and interact directly with customers.

Meanwhile, (Soni et al., 2025) found that the primary impetus for the emergence of digital entrepreneurship among Gen Z stems from the desire for freedom of expression and creation. Social media provides a broad space for them to share ideas, build networks, and generate income from their creativity.

This opinion is in line with the theory of digital natives put forward (Prensky, 2001), that this generation grew up with technology and is naturally able to adapt to rapid changes with algorithms, trends, and digital systems that continue to develop.

2. Supporting Factors for Digital Entrepreneurship

Some of the main factors driving the growth of digital entrepreneurship among Gen Z include:

a) Digital Literacy

Generation Z possesses a high level of technological savvy, from the use of business applications to digital marketing strategies. This enables them to manage their businesses independently and efficiently (Walhidayat et al., 2025).

b) Creativity and Innovation

Creativity is key to capturing market attention. (Soni et al., 2025) explain that emerging ideas developed by Gen Z can add value to digital products and strengthen their position as young entrepreneurs.

c) Community and Social Networks

Support from online communities is very helpful in expanding market reach and building consumer trust (Walhidayat et al., 2025)

d) Low Access to Technology and Capital

According to (Nambisan, 2017), technological advancements allow anyone to start a business with little capital. With just a smartphone, an internet connection, and creativity, Gen Z can reach the global market.

These factors make digital entrepreneurship among Gen Z flexible, creative, and efficient.

3. Challenges in Digital Entrepreneurship

Despite the vast digital opportunities, Generation Z also faces various challenges.

(Rahmadiane & Harjanti, 2024) highlighted that some young entrepreneurs still lack managerial skills, such as financial management and long-term strategy. Furthermore, unpredictable changes in social media algorithms often impact their promotional reach and product visibility.

(Millah & Lukman Hakim, 2025) added that the rapid changes in digital trends require businesses to continually innovate to stay relevant. The pressure to "go viral" also creates a psychological burden that can disrupt the emotional balance of young entrepreneurs.

Thus, the main challenges faced by Gen Z in digital entrepreneurship include: dependence on social media algorithms, rapid changes in trends, low financial literacy, and high market competition.

4. Research Synthesis Results Model

Based on the results of the synthesis of the seven journals analyzed, the relationship between the main factors of Generation Z digital entrepreneurship can be explained through the following conceptual model:



Source: Author's processed results (2025)

The model above shows that digital literacy is the main basis in shaping the economic behavior of Generation Z. Good literacy skills will foster creativity and innovation, which ultimately increases their productivity in utilizing social media for economic activities.

The result is the emergence of digital entrepreneurship activities that have economic impacts such as increased income, expanded market networks, and growth in the creative economy sector. However, this success remains influenced by existing

challenges, such as changing algorithms, rapidly evolving trends, and weak business management capabilities.

5. Overall Synthesis

In general, research results show that the success of Generation Z digital entrepreneurship is highly dependent on the balance between technical skills (such as digital literacy and technological mastery) and non-technical skills (such as creativity, innovation, and social communication).

Social media is the main bridge connecting creative ideas with real economic opportunities.

However, for digital entrepreneurship among Gen Z to develop optimally, support in the form of business education, financial literacy training, and more systematic digital mentoring is needed. This way, Gen Z will not only become technology users but also creators of new economic value in the digital ecosystem.

Discussion

Based on the analysis of seven scientific journals, it can be seen that Generation Z plays a significant role in the development of digital entrepreneurship in Indonesia. They grew up in the digital era, so they are familiar with technology and adapt quickly to changes. This ability makes it easier for them to utilize social media as a platform for creativity and business development.

Findings from (Firdaus et al., 2025) show that social media is now not only a place for socializing, but also a productive platform for generating ideas and collaboration. The concept of co-creation experiences emerging on social media allows Gen Z to build direct relationships with consumers while simultaneously building their business identity. This aligns with the digital entrepreneurship theory from (Nambisan, 2017), which explains that modern entrepreneurs are born from the combination of technology, creativity, and social networks.

Furthermore, the findings of this study align with those of (Soni et al., 2025), who emphasized that a spirit of innovation and freedom of expression are hallmarks of Generation Z. They are more open to new ideas, willing to try different things, and not tied to conventional work systems. This mindset has fueled the emergence of a more dynamic and flexible creative economy.

Several previous studies, such as (Rahmadiane & Harjanti, 2024), also explain that the desire for financial independence is one of the main reasons Gen Z enters the world of digital business. They want to capitalize on the potential of social media as a new economic opportunity. Meanwhile, (Walhidayat et al., 2025) emphasize the importance of digital training and improving business literacy to help young people better prepare for business challenges.

This research uncovered a new, rarely discussed topic: the social pressure experienced by young digital entrepreneurs. Many of them must remain active and relevant on social media to avoid being left behind. This pressure can impact mental health and entrepreneurial spirit. Therefore, success in the digital business world is not only about mental strength but also about mental fortitude and emotional balance.

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Different from research (Prensky, 2001) which only discusses the characteristics of digital natives, this research highlights the impact of these characteristics on Gen Z's business behavior. In addition, this research also discusses real challenges such as algorithm changes, rapid market trends, and low financial literacy.

The novelty of this research lies in combining the theories of digital natives and digital entrepreneurship within the Indonesian economic context. It also emphasizes the importance of balancing technological, social, and emotional skills.

From an academic perspective, the results of this study enrich the study of digital entrepreneurship among Indonesia's younger generation. Practically, the findings can provide input for universities and educational institutions to prepare students for the digital business world with appropriate training.

Overall, Gen Z is not only a user of technology but also a creator of new economic value. However, they face significant challenges such as social pressure and financial instability. Therefore, collaboration between education, government, and industry is needed to create an ecosystem that supports resilient and creative young digital entrepreneurs.

CONCLUSION AND SUGGESTIONS

This study attempts to explain how Generation Z utilizes social media as a means of entrepreneurship in the digital era. Based on the results of a review of seven scientific journals, it can be concluded that Generation Z has great potential as a major driving force in the development of Indonesia's digital economy. This generation is known for its high adaptability to technological advances, good digital literacy, and creativity in creating economically valuable content. For them, social media functions not only as a communication tool, but also as a strategic space for building digital identities, expanding business networks, and creating new business opportunities through collaboration (co-creation experiences). The success of digital entrepreneurship among Gen Z is greatly influenced by the level of digital literacy, creativity, innovation, and the strength of the social networks they build. However, various challenges are also faced, such as changes in social media algorithms, rapid changes in market trends, low financial literacy, and social pressures due to competition in the digital world. These findings indicate that success in digital entrepreneurship depends not only on technical skills, but also on mental strength, digital empathy, and the ability to adapt to dynamic changes. In general, this study strengthens the digital entrepreneurship theory of (Nambisan, 2017) and the concept of digital natives proposed by (Prensky, 2001). Furthermore, this study also broadens the understanding of the social media-based creative economy in Indonesia, emphasizing that Generation Z is not just a user of technology, but also a creator of new economic value through creativity, innovation, and digital collaboration.

Based on the analysis, several suggestions that can be given include the following:

1. Young entrepreneurs are advised to improve their financial literacy and business management skills to ensure more stable and sustainable operations. Diverse use of various digital platforms is also crucial to reduce dependence on a single social media platform. Furthermore, maintaining a balance between productivity and mental health is crucial amidst the pressures of a competitive digital world.

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2. Regulators and the government need to develop policies that support the growth of young technology-based entrepreneurs, for example through digital marketing training, providing access to microfinance through fintech services, and protecting digital intellectual property rights.
3. Academics and educational institutions are advised to enrich their digital entrepreneurship curriculum with applications that align with industry needs. Learning materials should emphasize practical skills such as digital content management, ethical online communication, and cross-disciplinary collaboration through project-based learning.

Thus, strong collaboration between education, government, and industry is needed to create an ecosystem capable of nurturing resilient, creative, and globally competitive young digital entrepreneurs. This collaborative approach also aligns with modern entrepreneurship practice guidelines, which emphasize the importance of project-based training and the development of an innovation-oriented support ecosystem (Scott, 2017).

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