
APPLICATION OF DIGITAL MARKETING AS AN ENTREPRENEURIAL INNOVATION FOR GENERATION Z

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ABSTRACT

Generation Z (1995–2010) is known as digital natives with a high ability to utilize technology and social media. Their active behavior across various digital platforms opens up significant opportunities for the development of digital entrepreneurship. This research aims to analyze the application of digital marketing as an entrepreneurial innovation for Generation Z thru a literature study related to consumer behavior, digital literacy, and digital marketing strategies across various business sectors such as MSMEs, startups, and e-commerce. The study results indicate that digital literacy, content creativity, adaptive social media strategies, and the ability to understand trends and build consumer engagement significantly impact marketing effectiveness and business success. This paper provides practical contributions for young entrepreneurs and marketing practitioners in designing innovative and sustainable digital entrepreneurship strategies.

Keywords: Digital Marketing, Entrepreneurship, Generation Z, Innovation, Social Media, Digital Literacy, Consumer Engagement.

BACKGROUND

The development of digital technology has changed the way individuals and societies conduct economic activities, including entrepreneurship. Generation Z is known as digital natives, who have been accustomed to digital devices and the internet since birth (Razak, 2022). This phenomenon creates significant opportunities for digital entrepreneurship innovation, particularly thru effective digital marketing strategies. According to a report by We Are Social (2024), over 90% of Generation Z actively uses social media, spending an average of over three hours per day on it. Most use digital platforms for information, entertainment, and economic transactions. This trend reflects the significant potential for Gen Z entrepreneurs to leverage digital marketing as an innovative strategy.

Digital entrepreneurship allows Gen Z to reach a wider market, build brand awareness, increase consumer engagement, and measure marketing effectiveness thru digital analytics (Putra et al., 2025). Generation Z shows a preference for visual, interactive, and personalized content, making conventional marketing strategies often less effective (Harniza et al., 2025). In addition, digital literacy and entrepreneurial literacy are becoming key competencies for Gen Z in facing digital business competition (Febriani et al., 2024). The ability to understand digital platforms, analyze data, and create engaging content strategies is a determining factor for entrepreneurial success.

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The research problem in this study encompasses four main questions: how do the characteristics of Generation Z influence digital entrepreneurship, how can the application of digital marketing be an innovation in Gen Z entrepreneurship, the factors supporting the success of digital marketing, and the challenges and solutions faced. The purpose of this paper is to analyze the application of digital marketing as an entrepreneurial innovation for Generation Z, focusing on digital strategies, consumer behavior, digital literacy, and factors supporting business success.

Research Objectives

This research aims to analyze how the application of digital marketing can be a form of innovation in entrepreneurial activities among Generation Z. Through this research, the author seeks to identify the factors that influence the success of Generation Z in utilizing digital technology to develop businesses and create creative and competitive business value. In addition, this research also aims to explain the role of digital literacy and entrepreneurial literacy in increasing the readiness of Generation Z to become innovative entrepreneurs in the digital age. Furthermore, this research examines the various opportunities and challenges faced by Generation Z in implementing sustainable digital marketing strategies, and provides recommendations that can support the development of innovation-based digital entrepreneurship in accordance with the characteristics of this generation.

RESEARCH METHODS

This research uses the Systematic Literature Review (SLR) method to examine the application of digital marketing as an entrepreneurial innovation for Generation Z. This method was chosen to gain a comprehensive understanding of previous research findings in a systematic and focused manner. Data were collected from scientific articles published in the last five years (2021–2025) thru the SINTA article database. The search was conducted using the keywords: "digital marketing", "entrepreneurship innovation", "Generation Z", and "consumer engagement". From the search results, approximately 14 articles were obtained, which were then selected based on inclusion criteria, namely topic relevance, publication period, and availability of full text.

The research stages follow the PRISMA flow, including data identification, selection, and synthesis. The analysis was conducted using content analysis to identify the main themes related to the application of digital marketing, entrepreneurial innovation, and the behavior of Generation Z. After the selection process, 14 relevant main articles were obtained, which served as the basis for discussion in this study.

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RESULTS AND DISCUSSION

Results

N o.	Research er	Research Title	Research Objective	Research Method	Main Findings	Relevance
1	Alruthaya , Y., Nguyen, T., & Lokuge, S. (2021)	The Application of Digital Technology and the Learning Characteristics of Generation Z in Higher Education	To analyze the application of digital technology in supporting Generation Z's learning styles in higher education.	Literature study	Generation Z demonstrates strong dependency on digital technology and rapid adaptation to online learning media.	Provides a theoretical foundation regarding Gen Z's digital competence relevant to digital entrepreneurship.
2	Aprilianti, D., Agustian, A., & Narimawati, U. (2025)	Adoption and Use of Digital Marketing Tools Among Food and Beverage MSMEs in Gen Z	To assess the extent to which F&B MSMEs adopt digital marketing tools among Gen Z entrepreneurs.	Quantitative survey	The use of digital marketing tools among Gen Z MSME actors improves market reach and promotional efficiency.	Supports the discussion of digital marketing implementation in MSMEs by Generation Z.
3	Dharomsz, Y. (2024)	Content Marketing in Shaping Customer Engagement Through	To examine the influence of TikTok content marketing on	Qualitative approach	Creative content on TikTok is proven effective in building consumer engagement	Relevant in explaining the relationship between social media, content

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		TikTok: Generation Z Male Perspective	consumer engagement among male Gen Z.		among male Gen Z.	creation, and consumer engagement.
4	Febriani, R., Swaramarinda, D., & Maulida, S. (2024)	The Influence of Entrepreneurship Literacy and Digital Literacy on Entrepreneurial Interest among Generation Z Students	To examine the effect of entrepreneurial and digital literacy on entrepreneurial interest among Gen Z students.	Quantitative (regression)	Entrepreneurial and digital literacy significantly influence entrepreneurial interest among Gen Z students.	Strengthens the analysis of the importance of entrepreneurial and digital literacy for Gen Z business activities.
5	Hanafiah, M., Sukmawati, R., & Dewi, L. (2025)	Pandangan Gen Z dalam Membentuk Co-Creation: Sebuah Gambaran Kecil Melalui Kajian Pustaka Coffee Shop	To describe the concept of co-creation developed by Gen Z within the coffee shop business context.	Literature review	Generation Z tends to create co-creation through digital interactions and personalized customer experiences.	Relevant to the aspect of innovation and consumer participation in digital marketing.
6	Harniza, E. H., Salleh, M. M., & Azahar,	The Impact of Influencer Marketing	To explore the negative impacts of influencer	Qualitative analysis	Influencer marketing is effective but also fosters consumerist	Highlights the critical perspective of digital marketing

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	K. A. (2025)	g: Exploring Its Adverse Impact on Younger Generations	marketing on younger generations.		behavior among young audiences.	in shaping Gen Z consumer behavior.
7	Kamila, P. N., & Fahlia, F. (2025)	The Influence of Financial Literacy, Digital Marketing, Network Connections, and Educational Management on Entrepreneurial Readiness among Generation Z	To evaluate factors influencing entrepreneurial readiness among Generation Z.	Quantitative survey	Financial literacy and digital networking enhance Gen Z's entrepreneurial readiness.	Supports the discussion on factors contributing to digital entrepreneurship among the youth.
8	Putra, J. E., Sulistyani, N. W., Ramadhani, F., & Hidayat, H. (2025)	Effectiveness of Content Marketing in Attracting Generation Z Consumer Loyalty	To assess the effectiveness of content marketing in building Gen Z consumer loyalty.	Quantitative	Interactive content marketing significantly increases consumer loyalty among Gen Z.	Relevant in explaining the relationship between content creativity and customer loyalty.

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9	Razak, I. (2022)	The Role of Digital Marketing for Generation Z	To analyze the role of digital marketing in shaping Gen Z's behavior and lifestyle.	Descriptive study	Digital marketing plays an essential role in building business image and exposure among Gen Z.	Provides a general foundation on the importance of digital marketing for the younger generation.
10	Rumondang Banjarnahor, A., & Sari, H. (2024)	Meningkatkan Minat Berwirausaha Generasi Z Melalui Literasi Digital di Era Teknologi	To identify the influence of digital literacy on Gen Z's entrepreneurial interest.	Descriptive quantitative	Digital literacy is proven to encourage Gen Z's interest in starting independent ventures.	Supports the analysis of the relationship between digital literacy and entrepreneurial interest.
11	Saebah, N., & Asikin, R. (2025)	Efektivitas Pengembangan Digital Bisnis pada Gen-Z dengan Model Bisnis Canvas	To analyze the application of the Business Model Canvas in Gen Z's digital business development.	Case study	The Business Model Canvas helps Gen Z understand digital business structures systematically.	Relevant to support innovative strategies in digital entrepreneurship.
12	Setiyawan, A., & Ulfatun, F. (2023)	Implementasi of Digital Entrepreneurship for	To examine the implementation of digital	Observation and interview	Digital entrepreneurship programs at vocational schools	Explains the importance of early digital entrepreneurship

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		Generation Z at Vocational School	entrepreneurship education in vocational schools for Gen Z.		improve Gen Z students' practical business skills.	urship education.
13	Soni, M., et al. (2024)	The Role of Digitalization in Developing Entrepreneurial Spirit in Generation Z	To analyze the role of digitalization in fostering entrepreneurial spirit among Generation Z.	Literature study	Digitalization plays a major role in shaping entrepreneurial orientation and enthusiasm among young people.	Supports the concept that digital technology drives entrepreneurial spirit in Gen Z.
14	Vinnetti, R. S., & Soelaiman, L. (2025)	Enhancing Generation Z's Role as Digital Natives and Creative Minds in Entrepreneurship through Self-Efficacy	To examine the role of self-efficacy in supporting creativity and entrepreneurship among Gen Z.	Quantitative	Self-efficacy significantly influences Gen Z's ability to become creative digital entrepreneurs.	Relevant in explaining the role of self-confidence and creativity in digital entrepreneurship.

Based on a review of previous studies, it was found that the application of digital marketing has a significant impact on increasing entrepreneurial innovation among Generation Z.

The research results of Alruthaya, Nguyen, & Lokuge (2021) indicate that Generation Z has high digital-based learning characteristics, making them easily adaptable to technology and digital platform-based marketing strategies. This serves as the basis

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for the application of more creative and efficient entrepreneurial innovation in the digital age.

Research by Aprilianti, Agustian, & Narimawati (2025) found that MSME actors in the food and beverage sector managed by young people are more likely to adopt digital marketing tools such as social media, marketplaces, and content design applications. This adoption has been proven to increase market reach and product promotion effectiveness.

Meanwhile, Dharomesz's (2024) research confirms that marketing content thru the TikTok platform is one of the effective strategies for building customer engagement among Gen Z. Short, interactive video content increases consumer purchase interest and brand loyalty.

Furthermore, Febriani, Swaramarinda, & Maulida (2024) demonstrated that entrepreneurial literacy and digital literacy have a positive influence on the entrepreneurial interest of Gen Z students. This generation is able to integrate digital technology skills with an entrepreneurial spirit to create product and service innovations.

Hanafiah, Sukmawan, & Dewi's (2025) research further states that Gen Z's perspective on the concept of co-creation in business, particularly in coffee shops, fosters collaboration between customers and business owners in creating shared value thru digital media.

Additionally, Harniza, Salleh, & Azahar (2025) caution that while influencer marketing is effective in reaching young audiences, there is a risk of negative impacts such as consumerist behavior and excessive perception of brand image.

The findings of Kamila & Fahlia (2025) show that financial literacy, digital marketing, network connections, and education management significantly influence Gen Z's entrepreneurial readiness. This confirms the importance of multidisciplinary skills in building a sustainable digital business.

The results of Putra et al. (2025) indicate that content marketing effectively increases Gen Z consumer loyalty thru engaging and consistent visual communication.

Meanwhile, Razak (2022) highlights that digital marketing plays an important role in facilitating two-way interaction between business owners and Gen Z consumers.

The research by Rumondang Banjarnahor & Sari (2024) reinforces that increased digital literacy can boost entrepreneurial interest among young people, especially with the support of easily accessible technology.

Saebah & Asikin (2025) also found that developing a digital business based on the Business Model Canvas can improve the effectiveness of business planning among Gen Z.

Furthermore, Setiyawan & Ulfatun (2023) emphasized that implementing digital entrepreneurship at the vocational school level is effective in fostering an entrepreneurial spirit from an early age.

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In line with this, Soni et al. (2024) showed that digitalization plays a significant role in fostering the entrepreneurial spirit of Gen Z thru technology-based innovation. Finally, Vinnetti & Soelaiman (2025) concluded that self-efficacy plays a crucial role in optimizing the potential of Gen Z as digital natives and creative minds in the world of digital entrepreneurship.

Discussion

The findings above indicate that the application of digital marketing not only serves as a promotional strategy but also as a unique form of entrepreneurial innovation for Generation Z. This generation possesses unique characteristics digital natives, creative, adaptable to technology, and inclined to prioritize practical values which enable them to quickly adapt to changes in the modern marketing landscape.

Gen Z's involvement in digital marketing across various platforms like TikTok, Instagram, and marketplaces supports the creation of a new entrepreneurial ecosystem focused on creativity and collaboration (co-creation). Consistent with the research by Hanafiah et al. (2025), customer participation in the value creation process signifies a shift in the business paradigm toward a more participatory and interactive direction.

From an entrepreneurial perspective, the findings of the studies by Febriani et al. (2024), Kamila & Fahlia (2025), and Rumondang Banjarnahor & Sari (2024) confirm that digital literacy and entrepreneurial literacy are key factors driving Gen Z's readiness to innovate. Digital marketing serves as a platform for them to practice business creativity thru content creation, market analysis, and data-driven communication strategies.

Nevertheless, as stated by Harniza et al. (2025), the implementation of digital marketing also brings new challenges, such as the risk of overexposure to information, consumerist behavior, and dependence on platform algorithms. Therefore, digital entrepreneurship innovation needs to be balanced with media ethics and adequate financial literacy to ensure business sustainability is maintained.

CONCLUSION

Based on the results of a study of various previous research, it can be concluded that the application of digital marketing is one of the main drivers of entrepreneurial innovation among Generation Z. The findings show that Generation Z has a high level of digital adaptation, is creative in creating promotional strategies, and is able to integrate technology into entrepreneurial practices.

Digital platforms such as social media, content marketing, and e-commerce have proven effective in helping young entrepreneurs expand their market reach, increase consumer interaction, and develop more innovative business models. Digital literacy and entrepreneurial literacy are significant factors influencing Generation Z's readiness and ability to innovate in the business world.

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Beside offering great opportunities, the implementation of digital marketing also presents challenges, such as increased consumerism, dependence on social media algorithms, and ethical issues in digital communication. Therefore, a balance is needed between creativity, ethical responsibility, and market analysis skills for digital entrepreneurship innovation to be sustainable.

Overall, digital marketing has transformed the entrepreneurial landscape for Generation Z by fostering the emergence of young entrepreneurs who are independent, creative, and adaptable to technological advancements. This generation is not only a user of technology, but also a creator of innovative digital economic value.

Overall, the findings of these various studies support the argument that digital marketing is a strategic instrument in driving entrepreneurial innovation among Generation Z. The application of digital marketing not only increases business visibility but also shapes a creative, collaborative, and adaptable mindset toward technological changes characteristics typical of future entrepreneurs in the digital age.

Suggestions and Recommendations

1. For Generation Z as Aspiring Entrepreneurs: It is recommended to continue improving digital literacy skills, content creation creativity, and understanding of data-driven marketing strategies in order to compete and innovate in the dynamic digital market.
2. For Educational Institutions: Educational institutions need to integrate digital entrepreneurship learning into the curriculum, both thru courses and business incubation programs, in order to cultivate innovative thinking and digital competencies in students.
3. For the Government and Business Support Institutions: Policies and programs are needed to support the development of digital entrepreneurship, such as training, funding, and technical guidance for young entrepreneurs so they can adapt and grow in the digital economy era.
4. For Future Researchers: Future research is recommended to conduct empirical analysis on the influence of digital marketing implementation on the business success and entrepreneurial innovation of Generation Z, including testing variables such as innovation performance, business sustainability, and digital consumer behavior.

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