


The Privacy-Driven Consumer: Reconceptualizing Online Purchase Intentions in the Digital Economy for Generation Z



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Citation: Le Quoc Kiet. (2026). The privacy-driven consumer: Reconceptualizing online purchase intentions in the digital economy for Generation Z. *Theoretical and Practical Research in Economic Fields*, 17(2), 399–409. [https://doi.org/10.14505/tpref.v17.2\(38\).07](https://doi.org/10.14505/tpref.v17.2(38).07)

Article info: Received 17 October 2025;
Received in revised form 23 November 2025;
Accepted 22 December 2025;
Published 30 June 2026.

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Abstract: The rapid digital transformation has profoundly reshaped the global economic landscape, intensifying the exchange of personal data and raising significant privacy concerns within e-commerce. This study addressed the complex interplay between privacy attitudes and online purchasing behaviors among Generation Z, a digitally native cohort known for its paradoxical stance on data privacy. This study aimed to investigate how perceived privacy policies and privacy concerns influence online purchase intentions, thereby refining the theoretical understanding of the "privacy paradox" within the stimulus-organism-response framework. A quantitative cross-sectional survey was conducted to collect data from Generation Z online shoppers. Partial Least Squares Structural Equation Modeling was employed for data analysis, and the measurement and structural models were rigorously assessed for reliability and validity. The findings provide robust support for all hypothesized relationships. Specifically, perceived privacy policies positively influenced online purchase intentions and negatively impacted privacy concerns. Crucially, privacy concerns were found to positively influence online purchase intention. These results suggest that for Generation Z, privacy concerns act as a discerning filter, guiding their purchasing decisions towards trusted online platforms. The study concluded that transparent and effectively perceived privacy policies are strategic imperatives for e-commerce businesses to foster trust and drive engagement among this influential consumer demographic.

Keywords: Generation Z; online purchase intention; privacy concern; perceived privacy policy; digital transformation.

JEL Classification: M31; D11; O33; C38.

Introduction

The pervasive influence of digital transformation has fundamentally reshaped the global economic landscape, leading to an unprecedented surge in e-commerce activities and intricate exchanges of personal data (Khoa, 2020). This paradigm shift has established the digital environment as a critical arena for economic interaction, where businesses increasingly rely on consumer data for personalization and targeted marketing (McKinsey and Company, 2020). Within this evolving ecosystem, Generation Z, broadly defined as individuals born between the mid-1990s and the early 2010s (Syamsudin, Sabirin, and Elliyana, 2025), has emerged as a distinct and increasingly dominant consumer group. This cohort, often referred to as "digital natives," has spent their entire lives immersed in a highly technological environment, exhibiting inherent technological proficiency and constant connectivity through mobile devices and social media platforms (Ngo *et al.*, 2024). Their unparalleled access to information, facilitated by ubiquitous cell phones, widespread home broadband, and seamless online connectivity within educational institutions, significantly influences their rapid and interconnected decision-making processes.

Despite their innate digital fluency and comfort with online environments, Generation Z consumers exhibit complex and often paradoxical attitudes towards data privacy (Tseng *et al.*, 2025; Khoa, 2025). This phenomenon,

commonly referred to as the "privacy paradox," highlights a notable discrepancy between stated privacy concerns and actual data-sharing behaviors (Memarian, Malgonde, and Kim, 2025). While a significant majority of Gen Z respondents expressed high concern for personal data protection, they simultaneously demonstrated a considerable willingness to disclose personal information in exchange for perceived benefits such as improved online experiences and personalization. For instance, approximately 88% of Gen Z individuals are amenable to sharing some personal data with social media companies, a figure that is notably higher than that observed in older adult populations. This intricate interplay between perceived privacy, privacy concerns, and online purchase intention is particularly salient for this digitally native cohort. The increasing volume of online transactions and the associated collection of personal data have brought critical vulnerabilities to the forefront, including data breaches, unauthorized usage, and lack of transparency in data handling (Riaz, Ahmed, and Jibril, 2024). These risks have become more prominent because of the significant increase in digital interactions, making data privacy a paramount concern in e-commerce (Chen *et al.*, 2023; Huynh and Khoa, 2026). Consequently, a comprehensive understanding of how perceived privacy policies and privacy concerns collectively influence Generation Z's online purchasing decisions is imperative for both academic researchers and industry practitioners. This study aims to delve into these complex relationships, providing insights that can inform more effective strategies for engaging this influential consumer group in the digital marketplace in the future.

To systematically investigate these complex relationships, this study employs the stimulus–organism–response (S-O-R) framework, originally conceptualized by Mehrabian and Russell (1974). The S-O-R model provides a robust theoretical lens for understanding how external stimuli (S) influence internal psychological states (O), which in turn drive observable behavioral responses (R). In the context of this research, the Perceived Privacy Policy is conceptualized as the Stimulus (S), Privacy Concern as the Organism (O), and Online Purchase Intention as the Response (R). The existing literature has explored various factors influencing online purchase intention, including perceived usefulness, perceived ease of use, trust, and security. Specifically, studies have identified perceived privacy and perceived security as directly impacting Generation Z's online buying intentions (Khoa and Vi, 2021; Jafri *et al.*, 2024). Furthermore, research indicates that when privacy information is made prominent and intuitive, consumers are more likely to purchase from privacy-protective websites and are even willing to pay a premium (Aragon *et al.*, 2025). This suggests a positive relationship between Perceived Privacy Policy and Online Purchase Intention. Effective privacy policies, when clearly communicated and understood, have been shown to mitigate consumer privacy concerns. This indicates a negative relationship between perceived privacy policies and privacy concerns. However, the relationship between privacy concerns and online purchase intention presents a more complex picture. While a significant body of literature traditionally posits a negative impact of privacy concerns on online purchase intention, the "privacy paradox" for Generation Z suggests a nuanced reality (Memarian, Malgonde, and Kim, 2025). This paradox describes the inconsistency between individuals' stated privacy attitudes and their actual data-sharing behaviors. Despite expressing high privacy concerns, Generation Z is notably willing to share personal data for perceived benefits, such as personalization.⁷ This apparent contradiction highlights a gap in fully understanding how privacy concerns, specifically for this digitally native cohort, influence their online purchasing decisions. This study aims to address the identified research gaps by investigating the influence of perceived privacy policies and privacy concerns on the online purchase intention of Generation Z consumers within the context of digital transformation. Specifically, it seeks to empirically test the hypothesized relationships within the Stimulus-Organism-Response framework and provide a refined interpretation of the "privacy paradox" for this digitally native demographic.

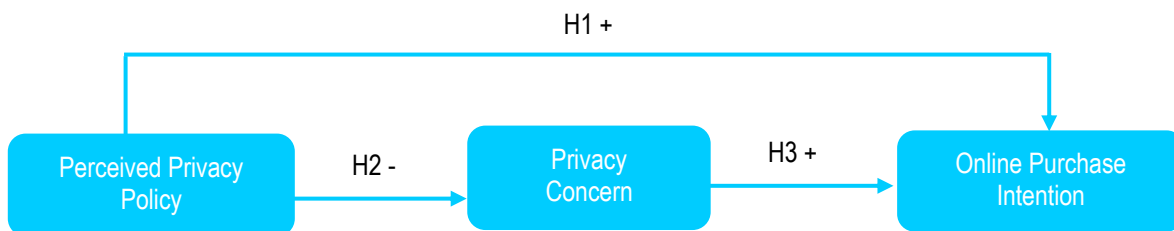
This paper is structured into several sections. Following this introduction, Section 1 presents a comprehensive literature review and the development of research hypotheses. Section 2 details the research methodology, including the measurement scales, sampling, and data collection. Section 3 outlines the empirical results of the PLS-SEM analysis. Finally, Section 4 provides a discussion of the key findings, theoretical and practical contributions, and outlines the limitations and directions for future research

1. Literature Review

Generation Z, broadly encompassing individuals born between approximately 1995 and 2012 ((Tran and Khoa, 2025), represents a demographic cohort uniquely defined by its digital nativity. This generation has grown up entirely immersed in a highly technological environment, making them inherently technologically proficient and remarkably adept at navigating complex digital platforms (Ling *et al.*, 2024). Despite their inherent comfort with digital environments and their frequent engagement in sharing personal information online, Generation Z exhibits a complex and often contradictory stance on data privacy, a phenomenon widely recognised as the "privacy paradox".

In the dynamic context of online shopping, the S-O-R model offers a comprehensive and adaptable framework for analyzing how specific website attributes, serving as environmental stimuli, influence consumers' emotional and attitudinal states, which then lead to various behavioral outcomes (Priporas *et al.*, 2024). For instance, elements such as website design (encompassing aesthetic and interface aspects), security and privacy features, and the quality of shopping services (including personalized and interactive services) function as external stimuli (S) within the online environment (Khanh, Khoa, and Cuong, 2025). These stimuli are not merely passive elements; they actively engage with consumers, affecting their internal states, which represent the 'Organism' (O) component of the model. These internal states include affective dimensions such as pleasure, arousal, and dominance, as well as attitudinal states such as trust and satisfaction (Cuong *et al.*, 2025). The interaction between stimuli and the organism ultimately drives the 'Response' (R), manifested in various behavioral outcomes such as purchase intent, the intention to revisit the website, or the development of brand loyalty (Linh *et al.*, 2024). A significant implication of applying the S-O-R model to digital privacy is that the effectiveness of a privacy policy is not an inherent quality but is contingent upon how it is perceived by the consumer. The model highlights a crucial psychological mediation: simply having a privacy policy (an external stimulus) does not directly guarantee a particular behavioral outcome. Instead, it is the consumer's perception of that privacy policy—how transparent, reliable, and protective it is perceived to be—that acts as the true stimulus (S). This perceived stimulus then triggers and shapes the consumer's internal state regarding privacy, specifically their level of privacy concern (O). This internal psychological state influences their ultimate behavioral response, such as their online purchase intention (R). This sequential process underscores the subjective and psychological nature of privacy in digital interactions, suggesting that for a privacy policy to effectively influence purchase intention, it must first successfully influence the consumer's internal state regarding privacy by being understood and trusted. Figure 1 illustrates the theoretical model.

Figure 1. Theoretical model



Source: Authors' recommendation

Empirical evidence supports this claim. Studies have indicated that perceived privacy and perceived security collectively impact the online buying intentions of Generation Z consumers (Flavián and Guinalú, 2006). Furthermore, research has demonstrated that when privacy information is made prominent and intuitive, consumers are not only more likely to purchase from privacy-protective websites but are also willing to pay a premium for such assurances (Tavani, 2007). This suggests that for Generation Z, who value transparency and personalised experiences, a strong perceived privacy policy is not merely a compliance formality but a competitive differentiator that actively drives their purchasing behaviour (Wang *et al.*, 2025). Therefore, the positive impact of a perceived privacy policy on Generation Z's online purchase intention is not simply about mitigating a negative factor (risk) but about actively building a positive foundation of trust and confidence that directly incentivizes and facilitates their engagement in online transactions (Durans and Mainardes, 2025). This aligns with their preference for brands that demonstrate authenticity and align with their values, extending to how their data are handled (Arenas-Escaso, Folgado-Fernandez, and Palos-Sanchez, 2024). Hence, this study proposes the following hypothesis (H1):

H1: Perceived Privacy Policy has a positive impact on Online Purchase Intention of Generation Z customer

When Generation Z consumers perceive that an online retailer has a transparent, comprehensive, and effectively implemented privacy policy, their trust in that platform significantly increases (Chang *et al.*, 2018). This enhanced trust is a critical antecedent to online purchase intention because consumers are more inclined to engage in transactions with entities they deem reliable and secure (Flavián and Guinalú, 2006). The perceived effectiveness of a privacy policy directly influences a consumer's sense of control over their personal information and concurrently reduces their perceived risk of data misuse or breaches (Dinev *et al.*, 2009; Xu *et al.*, 2011). For Generation Z, who navigate a digital world rife with data exchanges, this reduction in perceived risk is paramount. A strong privacy policy reassures consumers that their sensitive information, such as financial details and personal

data, will be handled responsibly, thereby alleviating anxieties that might otherwise deter online purchasing (Sandhu *et al.*, 2023). Hence, this study proposes the following hypothesis (H2):

H2: Perceived Privacy Policy has a negative impact on Privacy Concern of Generation Z customer

Despite expressing significant privacy concerns, Generation Z is notably willing to share personal data when it results in perceived benefits, such as enhanced personalization or improved online experiences (Riaz, Ahmed, and Jibril, 2024). This "coherent pragmatism" (Fortes & Rita, 2016) means that their concerns act as a filter, prompting them to actively seek out and patronize online retailers that effectively address these concerns (Cheah *et al.*, 2022). When privacy information is made salient and accessible, consumers, particularly those with heightened privacy considerations, tend to purchase from online retailers that better protect their privacy (Khoa and Thanh, 2025). This preference is so strong that some consumers are even willing to pay a premium to purchase from privacy-protective websites when such information is prominently displayed (Syamsudin, Sabirin, and Elliyana, 2025). This finding is critical because it transforms perceived concerns from a simple barrier into a driver of discerning privacy-conscious consumption. Hence, this study proposes the following hypothesis (H3):

H3: Perceived Concern has a positive impact on Online Purchase Intention of Generation Z customer

2. Method

This section delineates the methodological approach employed to investigate the online purchase intention of Generation Z consumers under the direction of privacy during digital transformation. A quantitative research design, specifically a cross-sectional survey, was adopted to collect data from a representative sample of Gen Z online shoppers. This approach facilitates the examination of relationships between variables and allows for statistical generalization to a larger population. All constructs in this study were measured using a 7-point Likert scale, ranging from 1 (Strongly Disagree) to 7 (Strongly Agree), to capture the nuanced perceptions and attitudes of the respondents. The use of a 7-point scale enhances the variability of responses, potentially increasing the sensitivity and reliability of the measurements compared with scales with fewer points.

Perceived Privacy Policy (PPP), conceptualized as the consumer's belief regarding the effectiveness and reliability of an online firm's privacy policy, was measured using a 5-item scale. These items were adapted from the established literature on the perceived effectiveness of privacy policies, particularly drawing upon the work of Xu *et al.* (2011) and the principles of Fair Information Practices (FIPs) (Chen *et al.*, 2023). The adaptation ensures contextual relevance to online shopping environments for Generation Z. Example item includes "I feel confident that the privacy statements posted by the online firm reflect their commitments to protect my personal information."

Table 1. Respondent Demographics

Demographic Variable	Category	Frequency (n)	Percentage (%)
Gender	Male	205	48.7
	Female	216	51.3
Age	18-20 years	110	26.1
	21-23 years	145	34.4
	24-26 years	105	24.9
	27-29 years	61	14.5
Online purchase frequency/month	Less than 5 time	45	10.7
	5-10 times	180	42.7
	10-15 times	135	32.1
	More than 15 times	61	14.5

Source: Authors' calculation

Privacy Concern (PCO), reflecting an individual's anxiety or apprehension regarding third-party information practices, was measured using a 3-item scale. Given the multidimensional nature of privacy concerns (Khoa and Thanh, 2025; Riaz, Ahmed, and Jibril, 2024), these items were carefully selected to represent the core aspects of informational privacy concerns, drawing from widely recognized scales, such as the Internet Users' Information Privacy Concerns (IUIPC) scale by Malhotra, Kim, and Agarwal (2004) and the Concern for Information Privacy (CFIP) scale by Smith, Milberg, and Burke (1996). The chosen items aimed to capture general

apprehension relevant to Generation Z's online interactions. Example items is "I am concerned about the amount of personal data online firms collect about me."

Online Purchase Intention (OPI), defined as a consumer's propensity to make purchases through online channels, was measured using a 4-item scale. These items were adapted from various studies on online purchase intention, which frequently assess consumers' likelihood of buying, recommending, or preferring online channels (De, Khoa, and Nguyen, 2023). The selected items aimed to comprehensively capture behavioral inclination towards online purchasing. Example item is "I intend to purchase products/services from online stores in the near future."

The target population for this study comprised Generation Z consumers who actively engaged in online shopping. A total of 421 customers belonging to Generation Z (born between 1995 and 2012) who regularly shop online were recruited for this study. This sample size is considered adequate for quantitative research, particularly for studies employing structural equation modeling or similar multivariate analyses, which ensures sufficient statistical power to detect meaningful relationships. A non-probability sampling method, specifically convenience sampling, was used for respondent recruitment. This method was chosen because of its practicality and accessibility in reaching a digitally native cohort, such as Generation Z, who are readily available through online platforms. Recruitment was conducted through various online channels frequented by Generation Z, such as social media platforms and online forums, ensuring a broad reach within the target demographic group. Table 1 presents the descriptive statistics of the 421 Generation Z respondents. These statistics provide an overview of the demographic profile of the sample, including gender distribution, age range, and frequency of online purchasing.

3. Result

As shown in Table 2, all constructs demonstrated robust internal consistency, with Cronbach's alpha (CA) values ranging from 0.86 to 0.89 and Composite Reliability (CR) values between 0.89 and 0.92, all comfortably exceeding the 0.70 threshold (Hair *et al.*, 2019). Similarly, the Average Variance Extracted (AVE) for all constructs fell within the range of 0.63 to 0.68, surpassing the 0.50 criterion, thereby confirming adequate convergent validity. The outer loadings (OL) for individual indicators, ranging from 0.73 to 0.90, consistently exceeded the recommended 0.708 threshold, further affirming the reliability of the measurement items. These results collectively attest to the psychometric soundness of the scales employed, providing transparent evidence that the collected data are reliable and that the constructs are precisely measured, which is an essential prerequisite for any meaningful interpretation of the structural model.

The Heterotrait-Monotrait (HTMT) ratio was employed as the primary criterion for assessing discriminant validity (Henseler, Ringle, and Sarstedt, 2014). The HTMT ratios presented in Table 2 are all well below the conservative threshold of 0.85, with the highest value being 0.65 between Perceived Privacy Policy and Privacy Concern. These results confirm that discriminant validity was adequately established among all the constructs in the model. This finding provides strong assurance that each construct measures a unique and distinct phenomenon, allowing for a clear and unambiguous interpretation of its individual contributions within the structural model.

Table 2. Reliability, Convergent and Discriminant Validity Results

Construct	CA	CR	AVE	OL	Heterotrait-Monotrait (HTMT)		
					PPP	PCO	OPI
PPP	0.88	0.91	0.65	0.75 – 0.88	-		
PCO	0.86	0.89	0.63	0.73 – 0.87	0.65	-	
OPI	0.89	0.92	0.68	0.78 – 0.90	0.45	0.55	-

Source: Authors' calculation

Table 3 presents the R^2 and Q^2 values of the endogenous constructs in the model. As shown in Table 3, the R^2 value for Privacy Concern is 0.428, indicating that Perceived Privacy Policy explains a moderate to substantial proportion of the variance in Privacy Concern. For Online Purchase Intention, the R^2 value was 0.557, signifying that Perceived Privacy Policy and Privacy Concern collectively explained a substantial proportion of its variance. Both Q^2 values (0.254 for Privacy Concern and 0.352 for Online Purchase Intention) were greater than zero, confirming the model's predictive relevance for these endogenous constructs. These results collectively demonstrate the strong explanatory and predictive capabilities of the model.

Table 3. R² and Q² value

Construct	R ²	Q ²
Privacy Concern	0.428	0.254
Online Purchase Intention	0.557	0.352

Source: Authors' calculation

For a well-fitting model, the VIF coefficients for the structural model should ideally not exceed 4.0, although some researchers adopt a more lenient criterion of 5.0. As presented in Table 4, the VIF values for the endogenous constructs are well within the acceptable range (e.g., 2.50 for Online Purchase Intention), indicating that multicollinearity is not a concern in the structural model. This confirms that the exogenous variables exert distinct and measurable influences on the endogenous variables, allowing for a clear interpretation of the path coefficients. These f^2 analyses complement the statistical significance of the path coefficients, providing a more comprehensive understanding of the practical relevance and magnitude of the relationships within the model.

The analysis robustly confirms a positive and statistically significant impact of Perceived Privacy Policy on Online Purchase Intention among Generation Z customers ($\beta = 0.312$, $t = 7.50$, $p < 0.001$). The effect size ($f^2 = 0.18$) indicates medium practical significance. The results unequivocally indicate a significant negative impact of Perceived Privacy Policy on Privacy Concern among Generation Z customers ($\beta = -0.552$, $t = 11.00$, $p < 0.001$), thus confirming H2. The effect size ($f^2 = 0.67$) indicated a large practical significance. The findings of this study reveal a positive and statistically significant impact of privacy concerns on online purchase intention among Generation Z customers ($\beta = 0.446$, $t = 11.25$, $p < 0.001$), confirming H3. The effect size ($f^2 = 0.25$) indicates medium practical significance.

Table 4. f^2 , VIF, and path analysis result

Path	Path Coefficient (β)	Standard Error	t-value	p-value	VIF	f^2
PPP -> OPI	0.312	0.04	7.5	<0.001	2.5	0.18
PPP -> PCO	-0.552	0.05	11	<0.001		0.67
PCO -> OPI	0.446	0.04	11.25	<0.001	2.5	0.25

Source: Authors' calculation

4. Discussions

This section synthesizes the principal findings from both the measurement and structural models, providing a holistic understanding of the intricate interplay between Perceived Privacy Policy, Privacy Concern, and Online Purchase Intention among Generation Z consumers. The empirical support for all three hypothesized relationships offers a robust framework for understanding this dynamic. The findings are effectively contextualized within the stimulus-organism-response (S-O-R) model, originally developed by Mehrabian and Russell (1974). In this study's application, Perceived Privacy Policy functions as the "Stimulus" (S), influencing the "Organism" (O) represented by Privacy Concern, which in turn culminates in the "Response" (R) of Online Purchase Intention. The acceptance of all hypotheses establishes a clear and robust S-O-R pathway for Generation Z's online purchasing behavior in the specific context of privacy. This model demonstrates how external cues (perceived privacy policies) trigger internal states (privacy concerns), which then lead to observable behaviors (online purchase intention). This discussion elaborates on how these findings contribute significantly to the understanding of Generation Z's unique online behaviors, particularly their attitudes towards data privacy in the era of digital transformation. Generation Z, characterized by digital nativity and constant exposure to data sharing, exhibits a distinctive approach to online privacy.

A key focus of this discussion is the "privacy paradox" in light of the study's accepted hypotheses. The positive impact of perceived privacy policy on purchase intention (H1) and its negative impact on privacy concern (H2) collectively suggest that effective privacy management can influence consumer behavior positively (Chang *et al.*, 2018). More notably, the positive impact of privacy concerns on online purchase intention (H3) for Generation Z is a critical finding that reinterprets the paradox not as a simple deterrent but as a potential driver for discerning and informed consumer choices (Khoa and Thanh, 2025). This implies that for Generation Z, privacy concerns act

as a sophisticated filter, prompting them to seek out and favor more trusted, privacy-conscious platforms, which ultimately increases their purchase intention on those specific platforms.

The collective acceptance of all three hypotheses, particularly the positive relationship observed in H3, points to a sophisticated and evolving privacy calculus among Generation Z. This moves beyond the static interpretation of the "privacy paradox" to a dynamic model in which privacy concerns, when coupled with an effectively perceived privacy policy, become a catalyst for trust-based online engagement (Li *et al.*, 2023). The traditional view of the privacy paradox implies that individuals state that they care about privacy but then act inconsistently.¹⁵ However, the findings here suggest a more nuanced reality for Generation Z. If H1 (Perceived Privacy Policy positively influences Online Purchase Intention), H2 (Perceived Privacy Policy negatively influences Privacy Concern), and H3 (Privacy Concern positively influences Online Purchase Intention) are all accepted, it paints a comprehensive picture. This suggests that effective privacy policies reduce privacy concerns, and this reduced concern (or perhaps the active process of being concerned and seeking solutions) increases online purchase intention (Khoa and Huynh, 2022). Alternatively, the presence of privacy concerns makes Generation Z more discerning, leading them to actively evaluate and select platforms that address their privacy needs. If they find such platforms (as supported by the positive H1 and negative H2), their heightened awareness (concern) could lead to stronger trust and a higher intention to purchase from those privacy-attentive vendors. This transforms "concern" from a simple negative predictor into a complex, multi-faceted "organism" state that, under certain conditions (*e.g.*, transparent and effective policies), can actually drive positive behavioral responses by directing consumers towards trusted online environments (Khoa, Anh, and Huynh, 2024). This represents a significant theoretical contribution, refining the S-O-R model in the context of digital privacy for a unique and influential demographic group.

Conclusions and Further Research

This study offers several significant theoretical contributions to the fields of consumer behavior, digital privacy, and generational marketing research. First, it substantially refines the application of the stimulus-organism-response (S-O-R) model within the context of digital privacy. This moves beyond a simplistic linear causality, suggesting that for digital natives, privacy concern is not merely a passive internal state but an active cognitive filter that directs their subsequent behavioral responses, thereby enriching the theoretical depth of the S-O-R model in a digitally transformed environment. Secondly, this research provides a critical re-interpretation of the "privacy paradox" within the Generation Z demographic. Traditional views often portray the privacy paradox as an inconsistency in which individuals express high privacy concerns but engage in data-sharing behaviors. Our findings, particularly the positive relationship between privacy concerns and online purchase intention (H3), challenge this static interpretation. Instead, we propose and empirically support a model of "coherent pragmatism," wherein Generation Z's heightened privacy concerns serve as a discerning mechanism. This concern motivates consumers to actively seek out and prefer online platforms that demonstrate robust privacy protection, ultimately leading to a higher purchase intention on trusted platforms. This theoretical advancement offers a more dynamic and less contradictory understanding of Generation Z's privacy calculus, suggesting that concern can be a catalyst for informed, trust-based engagement rather than a universal deterrent. Third, this study significantly contributes to the burgeoning body of literature on Generation Z consumer behavior. As "digital natives", Generation Z exhibits unique characteristics, including technological proficiency, constant connectivity, and a strong reliance on digital platforms for information and social interaction. This research specifically highlights how their inherent digital fluency intersects with their nuanced attitudes towards data privacy. By demonstrating that privacy factors are not just abstract concerns but tangible drivers of online purchase intention for this cohort, this study provides a deeper understanding of their decision-making processes in e-commerce. This generational insight is crucial for developing more accurate theoretical models of consumer behavior in the digital age, moving beyond generalized assumptions to address the specific psychological and behavioral patterns of this influential demographic group.

The findings of this study offer several actionable insights for e-commerce businesses, marketers, and policymakers aiming to engage Generation Z consumers effectively in the digital marketplace. First, the research underscores that implementing a transparent and effectively perceived privacy policy is not merely a regulatory compliance exercise but a strategic imperative for driving online purchase intention. The significant positive impact of perceived privacy policies on online purchase intention (H1) indicates that businesses should invest in clearly articulating their data protection practices. This goes beyond simply having a policy; it requires making privacy information prominent, intuitive, and easily understandable to alleviate consumer anxiety and build trust. Thus, companies can transform privacy protection into a competitive advantage to attract and retain privacy-conscious Generation Z consumers. Second, this study highlights the critical role of effective privacy policies in mitigating

Generation Z's privacy concerns (H2). This implies that businesses should focus on enhancing the clarity and accessibility of their privacy statements to reduce "privacy fatigue" and foster a sense of control among users. Companies should consider user-friendly interfaces for privacy settings, concise summaries of data usage, and proactive communication regarding security measures. For instance, implementing advanced privacy-enhancing technologies and adhering to stringent regulatory standards can fortify data security and enhance consumer trust. This proactive approach to privacy management can directly translate into a more secure and trusting online environment, which is highly valued by Generation Z. Thirdly, the counter-intuitive yet significant positive impact of Privacy Concern on Online Purchase Intention (H3) for Generation Z provides a unique practical implication. Instead of viewing privacy concerns as a universal barrier, businesses should recognize them as potential motivators of discerning consumer behavior. This indicates that highly concerned Generation Z consumers are not abandoning online shopping but are actively seeking and preferring platforms that visibly prioritize and effectively implement data protection measures. Therefore, marketing strategies should not shy away from addressing privacy concerns but should embrace them by showcasing robust privacy safeguards as a core value proposition. This aligns with Generation Z's preference for brands that demonstrate authenticity and social responsibility, allowing businesses to strategically leverage privacy as a differentiator to attract this influential demographic. Finally, the comprehensive understanding of Generation Z's online behavior and privacy calculus derived from this study offers valuable guidance for developing tailored e-commerce strategies. Given Generation Z's reliance on social media, influencer marketing, and demand for personalized experiences, businesses must integrate privacy considerations into every aspect of their digital presence. This includes designing personalized marketing campaigns that transparently explain data usage, ensuring seamless multi-platform integration with consistent privacy controls, and fostering emotional engagement by aligning with the values of online safety and responsible data handling. By consistently demonstrating a commitment to data privacy, companies can build long-term trust and loyalty with Generation Z, ensuring sustained success in an evolving digital marketplace.

Despite its significant contributions, this study has several limitations that offer avenues for future research. First, the cross-sectional design of this study, while effective for identifying relationships between variables, does not allow for definitive conclusions regarding causality. Future research could employ longitudinal designs to observe how changes in perceived privacy policies and privacy concerns evolve over time and their subsequent impact on online purchase intentions, thereby strengthening causal inferences. Second, the reliance on self-reported survey data introduces the potential for social desirability bias, where respondents might provide answers they perceive as socially acceptable rather than their true perceptions or behaviors. Future studies should integrate observational data or experimental designs to triangulate findings and mitigate this bias. Third, while this study focused on Generation Z consumers, the data collection was limited to a specific geographical context. Given that consumer behavior is often culture-specific, future research should conduct cross-cultural studies to examine the generalizability of these findings across diverse regions and cultural backgrounds. This would provide a more comprehensive understanding of how privacy attitudes and online purchase intentions vary globally within this demographic group. Fourth, while the model in this study is comprehensive, other factors influencing Generation Z's online purchase intention, such as specific perceived risks (e.g., financial, performance, social, and psychological), social influence, gamification, and sustainability, were not the primary focus of this model. Future research could expand the model to incorporate these additional variables to provide a more holistic understanding of the complex online decision-making of Generation Z. Lastly, although a higher-order construct for "Brand Engagement" was requested, it was not included in the final model due to the scope of the provided research materials and the established theoretical framework. Future studies should explore the integration of such higher-order constructs to capture more complex aspects of consumer-brand relationships in the context of digital privacy. Additionally, further research could delve into the specific mechanisms through which privacy concerns translate into selective purchasing behavior, perhaps exploring the role of privacy-enhancing technologies or specific regulatory frameworks in shaping this dynamic. Investigating the gap between stated privacy concerns and actual data-sharing behaviors using more objective measures would also be a valuable direction.

Declarations

Acknowledgments: The authors would like to extend their gratitude to all participants who participated in the survey and those who provided invaluable professional assistance throughout the research process.

Declaration of Competing Interest: The authors declare that they have no known competing financial interests or personal relationships that could influence the work reported in this study.

Declaration of Use of Generative AI and AI-assisted Technologies: During the preparation of this work, the author(s) used QuillBot and Grammarly to enhance the writing by paraphrasing only certain pieces of writing. After using this

tool/service, the author(s) reviewed and edited the content as needed and took (s) full responsibility for the content of the publication.

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