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Dissertation Proposal

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Working Title

An Empirical Analysis of Purchasing Behaviours of Y and Z Generations Across Offline and Online Retailers of Consumer Electronics Products

Introduction

This research aims to analyse the purchasing behaviour of the Y and Z generations of consumer electronics products from online and offline retailers. At the end of this study, it will be tried to be answered whether the consumers in these generations prefer brick and mortar or online retailers to purchase consumer electronics products and the reasons of their preferences and the differences between two generations' behaviours.

As digital transactions become increasingly more important, companies cannot survive without keeping up with the change. Whilst consumers wanting to get the appropriate products and services at the appropriate time, at a suitable price, the retail companies no longer have the luxury not to take part in the online sales channels. Even consumer groups who had met with technology in their middle age, now give importance to speed and accessibility and it would be a big mistake not to think that Y and Z generations would demand even more than previous generations. If companies can identify their online and offline channels by understanding expectations of Y and Z generations, which will constitute 63.5 percent of the world population in 2019, according to Bloomberg's research (Bloomberg.com, 2018), they can in turn sustain their commercial presence by protecting their competitive power.

It is no longer a matter of preference for retailers to have an online or physical store. The retailer should be there, where ever the consumer wishes to shop. Retailers should offer their products both physically and online. They should also provide a shopping experience that is compatible with each device available for shopping, ranging from computers to mobile phones. Moreover, after a purchase, the products should be delivered to the customer very quickly and smoothly. It is not clear via which channel the purchase journey begins, i.e. the initial research and inspection and ends with the actual purchasing of the product. The success stories of the retailers which had originally invested in online channels after years of making sales in physical stores and the retailers which originally opened brick and mortar stores after years of operating through an online channel are clearly evident.

After the first purchases, remembering the customers when they come back, giving them excellent service regardless of the channel / connection and rewarding them for being loyal customers are the most important points to ensure that they remain loyal to the brand and make further purchases. Another important point that is being understood more and more each day is the value of time. Online or physical shopping is certain to take up considerable time of a person. Because time is one of the most valuable things in our fast and complex world, no one should be surprised that customers are loyal to retailers who offer the fastest service in their shopping experience.

On the other hand, the desire to be unique and special grows strongly and raises an important question for retailers: When is personalization possible and when does it really add value to the customer? Retailers need to make smart and individual choices about their personalization strategies. And sometimes even a superficial change can have a big impact on the customer. The biggest opportunities to be turned into sales are mostly missed in the physical retail environment. New technologies can provide retailers with opportunities to awaken their curiosity, personalize, provide better value, and give the customer a flawless experience when customers reach the store.

As the Y and Z generations are positioned as the main customer group, the importance of social media and providing good content will continue to increase. These generations need to hear stories from their peers about the product and make a connection with the product with an unorthodox method.

While online and offline warfare is taking place in almost every sector in our present day, the consumer electronics sector also certainly has its share in this competitive environment. The consumer electronics, which have a wide range of products from mobile phones to refrigerators are expensive products which are purchased for long-term use, so consumers do a lot of research before making the decision to buy. Unlike many other sectors, research and purchase of products in this sector can be realized through different channels. According to a research conducted by Statista.com regarding Showrooming behaviour of consumer electronic products consumers in the United Kingdom in 2014, after examining the consumer electronics products in the physical store, purchasing them in the online store was determined as the most common purchasing process of the customers. 42% of the consumers stated that they had previously examined the consumer electronics products in the store and then in turn had bought the product from the online channel of the same store (statista.com, 2018). Another form of this purchasing process is the purchase of the product from an online retailer that offers the best price after the product is examined in a different brick and mortar retailer.

This study will look into the purchasing behaviour of Y and Z generations whilst they buy electronic consumer products and the reasons behind their preferences whether the purchasing point is via an online or offline channel.

This study will find out the effects of variables such as time, reward, personalization on purchasing behaviour of these generations in both offline and online purchasing channels for consumer electronic products.

The Research Questions

Q1. Which factors influence Y and Z generations to choose between online and offline channels when purchasing a consumer electronics product?

Q2. What are the value dimensions which effect offline and online channel purchase behaviours and create additional value for Y and Z generations through the consumer electronics purchase journey?

Q3. What are the purchasing channel preferences of Y and Z generations?

Q4. What are the differences between Y and Z generations' consumer electronics purchasing processes?

Literature Review

The consumer is the person who buys and uses products or services (Ivanovic, 2003: 55). In marketing, the definition of consumer is the person who buys or has the potential to buy in order to satisfy the wishes and needs of his / her family (Penpece, 2006: 5).

Consumer behaviour refers to the buying behaviour of end-users who are the individuals or households who receive products and services for personal consumption. The combination of all these final consumers constitutes the consumer markets (Kotler, 2005: 178).

Purchasing behaviour is the decision-making process and behaviour of the issuers, including the purchase of products and services (Pride and Ferrell, 2000: 195).

The factors that determine purchasing behaviour are mostly beyond the control of the consumer. The consumer does not change their behaviour on their own but acts under the influence of these internal and external factors which they cannot control (Pachauri, 2002).

Whilst modern approaches to consumer decision making vary in many dimensions (risk reduction strategy, degree of cognitive and emotional activity, etc.), they also complement each other (Hansen, 2005). Consumers often use combinations of different decision-making strategies (Bettman et al., 1998). For example, a consumer may make a product out of alternatives by considering that the production quality of a country in which it is produced is lower than in other countries. Or, a consumer can easily decide to buy any product that creates positive emotions. Moreover, Positive emotions can directly influence the consumer's buying behaviour or limit the number of alternatives because more information is needed. Another consumer may choose the best value among the various product alternatives. Customers can use these different preferences as input in the product comparison process. According to many researchers, rather than just looking at the consumer decision-making process, benefiting from the richness of different perspectives can give more accurate results (Hansen, 2005).

The Research Strategy and Methodology

Study research design; The following questionnaire will be applied in order to understand consumer electronics products' purchasing behaviour of Y and Z generations and to determine which and for what reasons they prefer to use offline or online retail channels.

Sampling; Since the subject of the study is based on understanding the consumer preferences of the generations of Y and Z, the prepared questionnaire will be applied to people born between 1980-2000. Data from reliable statistics institutions will be used as secondary research.

Data collection methods; The questionnaire will be conducted by face-to-face interviews and online. Questionnaire results will be analysed and interpreted by using Eviews. Surveys with more than 80% of the questions answered will be evaluated. Secondary data shall be obtained from statistical institutions affiliated to the Government or from specific statistical institutions with proven reliability and impartiality.

Questionnaire

Could you please kindly spare some time and answer the following questionnaire. It is a questionnaire which is related to my master's thesis at University of Wales Trinity Saint David. The purpose of this survey is to study purchasing behaviour the customers during consumer electronic products' purchase journey. The survey is anonymous, and it will take approximately 5 minutes. All the information provided by you will be used only for fulfilling the research purpose.

Q1. Your gender?

Female

Male

Q2. Your age?

..... years old

Q3. Which kind of store do you generally prefer to shop?

I prefer to shop in a traditional store

I prefer to shop online

Q4. Which is your most preferred tool for online shopping?

Computer/Laptop

Tablet

Smartphone

Q5. Which of these statements best describes your consumer electronics shopping habits in general?

I generally research and buy consumer electronics products in a traditional store

I generally research consumer electronics products online but buy in a traditional store

I generally research consumer electronics products in a traditional store but buy online

I generally research and buy consumer electronics products online

Q6. How strongly do you agree or disagree with the following statements?

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
I buy consumer electronics products in a traditional store because I trust the seller	5	4	3	2	1
I buy consumer electronics products in a traditional store because I can check the quality of the product	5	4	3	2	1
I don't mind visiting traditional stores for consumer electronics products even though it is time consuming	5	4	3	2	1
I buy consumer electronics products in traditional stores, so that I can get better deals and offers	5	4	3	2	1
I buy consumer electronics products online because it is time saving	5	4	3	2	1
Shopping consumer electronics products online offers better prices than traditional stores	5	4	3	2	1
I buy consumer electronics products when I am sure about the originality of the product	5	4	3	2	1
I buy consumer electronics products when I trust the seller	5	4	3	2	1

Q7. Which is the most important factor influencing your choice of where to buy a consumer electronics product?

Quality of the product

Price of the product

Time to acquire the product

Trusting the seller

Other, factor:

Q8. Which is the most important factor influencing your consumer electronics purchase decision?

To see, touch and try the product

To buy at the lowest price

To shop at my own convenience

To trust the seller

Other, factor:

Q9. Which is the most important reason for buying a consumer electronic product in a traditional store?

To get loyalty points, special offers and discounts

To get product advice and relevant information from the sales staff

I do not need to wait for delivery as I can acquire the product immediately

I'm able to exchange or return the product easily

My friends and relatives use some store and recommend it

Q10. Which is the most important reason for buying a consumer electronic product online?

It's easy to find and compare products and their prices

It's easy to follow instructions on the web site

It's clearly indicated if the product is available online

It's clear what the delivery options are and what they cost

It's important to read reviews, customer recommendations and ask for more information

Logistical and Ethical Consideration

The research will be conducted in accordance with all ethical policies. When conducting the survey, the confidentiality of the participants will be considered, and the names of the participants will not be asked.

Timetable

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