# WHAT IS THE USER EXPERIENCE OF "Y" GENERATION ON ONLINE PURCHASING

**By**

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# 2 Abstract

According to generation theory starters of generations from time to time vary from each other contrasting to their period of social background. In this research the generation we discuss is generation Y that has highlighted characteristics on e-purchasing despite of other generations.

In this digitalization ague this Y generation group prefer to online purchasing. Their responses to online purchasing is expected to be different as they process website information five times faster than older generations and are the most emotional and least loyal customers compared to all other generations. Because the reason is this Y generation group highly adopted to new technological equipment and internet. Like smart devises and computers.

This research presents the user experience of online purchasing in relation to generation Y. In this research attention has focus on basically the user experience on online purchasing followed by utility, Flow, Hedonic Features, trust, Brand Equity and e-loyalty. The sample here we use for our research is 100 university students of NSBM.

# 3 Background of the issue being addressed

## Background of the research.

At present there is a huge competition among businesses regarding retain and attract customers. Hence every sellers has to conduct a good relationship and try to take customer awareness to survive in today's competitive market. Now a day online market is a very popular among customers. Most of people tend to online purchasing. Online shopping is a fast and efficient way for consumers to purchase product and services (Dhanapal, Vashu & Subramaniam, 2015). Online shopping can be define as a form of electronic devise for purchasing without any intermediary services (Gupta, 2013). According to Gupta (2013) there are so many online shopping site in the world such as eBay, yebhi.com, Amazon.com, shopping.com etc…

Online purchasing behaviour is different from generation to generation (Dhanapal, Vashu & Subramaniam, 2015). According to Generation theory, generation mainly can be divided into several segments based on their born age. Pre-War Generation before 1925 born, Silent Generation born between 1925-1940, Baby boomers 1940-1955, Generation X 1955-1970, Pragmatic Generation 1970-1985, Generation Y 1985,2000, Generation Z 2000-2015 (Karl Mannheim (1928), Ortega y Gasset and Julias Marías (1970), Jeffrey Pfeffer (1983), Strauss en Howe (1991) and Henk Becker (1992).

According to the research on my topic generation Y is the focused point. Generation Y can be defined as human beings who born during the period of 1980-2000.In addition to above definition generation Y has been defined as

Generation Y between 1981 and 2000 (Deal, Altman et al., 2010). Sited in (Ordun, 2015). Generation Y born between 1981- 2000 (Mckindle & Wolfinger, 2010) sited in (Dhanapal, Vashu, Subramaniam, 2015). Generation Y born between 1980 and 2000 (Petra,2016). Described as generation Y people born between years 1980–1994 (Bednall, Valos, Adam, McLeod, 2012 sited in (Krbova & Pavele, 2015).

Generation Y is the significant group attend to online purchasing than other generations. Their responses to online purchasing is expected to be different as they process website information five times faster than older generations and are the most emotional and least loyal customers compared to all other generations (Bilgihan, 2016). Generation Y online purchasing behaviour is higher than baby boomers (Dhanapal, Vashu, Subramaniam, 2015). Because generation Y is

using internet and smart devices than other generations. "The escalation of the Internet and information technology has significantly contributed to the popularity of online shopping" (Muda, Mohd & Hassan 2016). Therefore generation Y is so important segment to online purchasing. Therefore identifying Y generation's online purchasing behaviour and their user experience on online purchasing. Marketers need to change their strategies in order to establish a positive and lasting relationship with this new customer segment. This is a challenging task, considering that this segment represents the least loyal, most emotional compared to all other generations (Tripadvisor, 2015) sited in (Bilgihan, 2016). Gen Y customers put a heavy emphasis on the online user experience while shopping online (Bilgihan, 2016).

Gen Y constitute more than 25 percent of the world population (Nusair, Bilgihan, Okumus, & Cobanoglu, 2013), are highly sociable and frequently use medias (Farris, Chong, & Danning, 2002; Nusair et al., 2013) and more importantly, they grew up with technology (Palmer, 2009b). The Internet has a strong impact on the lives of Gen Y (Nusair et al., 2013). They are also immersed in online activities, including e-commerce (Lester,Forman, & Loyd, 2006) and m-commerce.

Online purchasing is the online buying and selling of goods and services coupling with internet and information technology. In this focus generation Y in relation to other generations is popular and visible to prove fact about online purchasing. Development of science and technology in each and every field paved the way for digitalisation and made it is efficient and convenience. After introducing smart devices it was very easy and flexible to get the service at a fingertip.  Research pivots around the behaviour of generation Y in this field.

In this age, people are highly adopt in online purchasing. There are so many reasons affecting to change that people's attitude toward online purchasing. In online purchasing we seem people are addiction to online shopping and they continuously make their purchasing thing through online. Especially Y gen people. Therefore In this research I hope to find, what is the user experience of Y generation on online purchasing? For this research as population I take university students in Sri Lankan universities and I take as sample 100 students in NSBM green university. I hope to collect primary information by giving them to questionnaire and analyse student's answers by using quantitative method by using SPSS.

# 4  Problem statement

## 4.1 Problem statement

As usually knows that generation Y uses more technological resources. It has more developed from its primary levels to a climactic point where e purchasing has undergone its changes to wrap around its users. It seems that the system is attributing to every field in market side of goods and services. Thus people also seems to be using the convenience it has gave. It is an obvious fact the trend is marching towards easy and convenience of e-purchasing. Since because of this the research is going to researching the user experience of Y generation on online purchasing.

The main research problem is,

**"What is the user experience of Y generation on online purchasing"?**

## 4.2 Literature Review

While conducting this research it is very important to have an overview of the other views, ideas, and findings regarding dependent variable and also independent variables and the relationship between dependent variable and independent variable. Other researchers also found out the Y generation online purchasing behaviours and some sort of their user experience towards online purchasing.

Online purchasing means buying goods and services by using internet. And online purchasing is considered the fastest growing mode used to shop. "Online shopping is a fast and efficient way for consumers to purchase products and services" (Dhanapal, Vashu, Subramaniam, 2015). Offering a unique shopping experience is the key to winning the hearts and minds of consumers (Pine & Gilmore, 2011). In consequence, experience has become a key element of shopping (Rust & Lemon, 2001).

The generation is a cohort of people who were born in a certain period of time. On the other side between two generations usually many differences can be observed, e.g. in purchase

behaviour and buying involvement. However generation Y's decision making process different from former generations (Mangold, Smith, 2012).

According to generation theory, researchers are using several modal for divide Y generation. Generally we can say persons who was boned between 1980 and 2000 are considered as generation Y. Further several research prove that age limit; Generation Y between 1981 and 2000 (Deal, Altman et al., 2010). Sited in (Ordun, 2015). Generation Y, between 1981-2000 (Mckindle & Wolfinger,2010) sited in (Dhanapal, Vashu, Subramaniam, 2015). According to the (Noble, Haytko, Phillips, 2009) shift the lower boundary to the year 1977.

Generational cohorts have different values, preferences and shopping behaviors (Parment, 2011, 2013). It is an important goal for marketers to understand such differences and offer products and services accordingly. Gen Y has emerged as a big force with growing spending power which will inevitably rival Baby Boomers' market dominance (Xu, 2007) sited in (Dhanapal, Vashu, Subramaniam, 2015). Over the next five to 10 years, Gen Y people will become the largest customer segment for hotels worldwide (Mettler, 2015). This generation holds a great purchase power and is able to spend money in an impulsive way (Parment, 2013).

The penetration of the Internet and a great progress of new digital technologies influence all generations, especially Generation Y and Z as well as the Industrial Revolution has changed the lifestyle and cultural aspects in the end of 19th century (Parment, 2013). New technologies (Internet, applications, mobile devices etc.) and a strong emergence of social networks have created a new attitude to life and change the way how people communicate, make their purchase decisions, shop, build relationships, and decide about their future career (Parment, 2013). Generation Y people's online purchasing behavior is higher than other generation. Because gen Y peoples are highly using internet and other technological items when compared with other generations (Mangold, Smith, 2012). For the marketers, to understand of these differences and purchasing behavior of Y generation is essential for creating the effective marketing strategies (Parment, 2013) and it is important to get to know the specific features of their online shopping behavior.

Some of specific behaviors of Y generation

- Generation Y individuals make their purchase in higher number of retail stores (when they shop clothes, they usually visit 5–20 shops, Baby Boomers visit only a few) (Krbova , Pavelek, 2015)

- Prefer airy and spacious shops more (Krbova , Pavelek, 2015)

- Require former experience with the retailer and assistance of the salespeople less (Krbova , Pavelek, 2015)

- choose the product at fi rst and then the best suitable shopping place (Parment, 2013) sited in Krbova , Pavelek, 2015) and

- Together with Generation X prefer online retailers more than other generational cohorts (Broshdal, Carpenter, 2012).

The most important information sources are online sources, especially reviews of former customers. These reviews are often placed on Facebook or producers' own websites. Approx. 56% of Generation Y share their own experience and reviews on social networks compared to the whole population where 35% do the same (Mangold, Smith, 2012).

The most important attributes when purchasing goods and services are influenced by the advantages of online information sources. Speed, security, privacy protection, convenience during purchase and immediate availability of a product are considered to be the most important factors for gen Y to addiction purchase goods and services in online (McIntyre, 2011). Not only that time saving, competitive price and trust is important factors affecting to online purchasing (Chang et al, 2004) (Sim and Koi, 2002) (Ahn, Ryu and Han, 2004) sited in (Dhanapal, Vashu & Subramaniam, 2015).

Generation Y is more concern brand of the product than previous generation. Therefore they comfortable with the banded product (Lazarevic, 2012). Marketers need to create relationships between their brands and Gen Y consumers through various steps in order to increase brand loyalty of this disloyal segment (Lazarevic, 2012). This Y generation use websites faster than older generations and they are moving away from standard text toward images, compelling videos and social websites (Dhanapal, Vashu & Subramaniam, 2015).

Researchers are now examining the consumer's shopping experience via the web with the "flow" construct, implying that it is possible to measure the extent and intensity of the consumer's experience in online environments (e.g. Novak, Hoffman, & Yung, 2000) sited in (Bilgihan, 2016). Because offering a unique shopping experience is the key to winning the hearts and minds of consumers (Pine & Gilmore, 2011). In consequence, experience has become a key element of shopping (Rust & Lemon, 2001). For the positive online experiences, will influence the Gen Y's loyalty towards the brand, further it will influence brand equity and trust (Bilgihan, 2016).

Therefore marketers should understand gen Y responses to online marketing efforts and design their websites accordingly to drive online purchasing. This research discusses user experience on online purchasing and develops hypotheses regarding how these design elements effect to experience while shopping online.

## 4.3 Objectives

1. To examine the "Y" generation's online purchasing behavior.
2. To Analyze "Y" generation's user experience with online purchasing.
3. To give recommendations for a positive user experience for "Y" generation customers in online purchasing.

# 5  Proposed methodology

## 5.1 Intended approach is Quantitative.

In 1$^{st}$ I intended to do a literature review to identify possible feathers of "Y" generation online purchasing

I hope do a test by using Quantitative data to identify Specific user experience on online purchasing

## 5.2 Sources of data

I intend to collect primary data by using questioner from NSBM Green university students.

As secondary data, I hope to collect secondary data from published articles.

## 5.3 Data Analysis

In this research data are analysed descriptively, clearly and statistically through Statistically Package for Social Sciences using (SPSS).

## 5.4 Population

This research includes the students who studying in Sri Lankan Universities as the target population.

## 5.5 Sample

Considering whole university student is not an easy task. There are so many Universities in Sri Lanka as private and government and various sections like Arts, Science, Engineering, and Management etc. Hence this research was conducted using Student of NSBM Green University one of the leading semi government university in Sri Lanka. So the sample of the research is

the Students of NSBM. Research is conducted using 100 students from NSBM as my sample size .The sample design is systematic sampling coming under the probability sampling.

# 6  Significance of the research

The findings of this research will clarify the doubts about unconsciousness about user experience on online purchasing and would be a novel path to identify future trends and difficulties that can occur. Further society will get a new experience and knowledge about the capabilities, convenience on online purchasing in relation to generation Y. Acknowledgement about the user experience of generation Y on online purchasing will be more important and useful for people who deal with business activities to promote and market goods and services currently available and things on the way to come; in significance to the highlighted generation Y that holds the priority and majority class deals with online purchasing.

To maintain a high level of customers' loyalty on online purchasing, that organizations earn higher profit and good prestige. Therefore identifying various factors effecting to Y generation's online purchasing behavior is so important to persons who dealing with buying and selling activities on online.  Because of that reasons my research important to identify what is the user experience of online purchasers in Y generation.
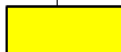
By considering those factors I can point out the significance of my study.

- Identify significant of Y generation on online purchasing.
- Identify the online purchasing behavior of Y generation.
- Identify why persons tend to continuously involve in online purchasing and what is their user experience?
- Understand how to manage Y generation online purchasers and how to create positive user experience towards online purchasing.
- Give them to positive online shopping experience.

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# Time frame

| Month | May | | | | June | | | | July | | | | August | | | | September | | | | October | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Weeks** | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 |
| Select research topic | ▨ | ▨ | | | | | | | | | | | | | | | | | | | | | | |
| Study previous Researches regarding The topic. | | ▨ | ▨ | | | | | | | | | | | | | | | | | | | | | |
| Prepared research Proposal | | | ▨ | ▨ | | | | | | | | | | | | | | | | | | | | |
| Get the approval for proposal | | | | | ▨ | ▨ | | | | | | | | | | | | | | | | | | |
| Prepare questioner | | | | | | | | | ▨ | | | | | | | | | | | | | | | |
| Collect data | | | | | | | | | | ▨ | ▨ | | | | | | | | | | | | | |
| Data analysis | | | | | | | | | | | | | ▨ | ▨ | ▨ | | | | | | | | | |
| Prepare Research Report and handover. | | | | | | | | | | | | | | | | | | ▨ | ▨ | | | | | |