

The perception of Generation Y of online distribution channels

PROBLEM STATEMENT

The importance of understanding the Generation Y is increasing tremendously as this cohort develops a higher consumption power to its stage in life especially in the tourism market. However, there is a lack in research concerning this part of the population and their decision-making processes. (Dennis, Doherty, & Ellis-Chadwick, 2009; Pendergast, 2010)

Moreover, up to now advanced research studies on the market-behaviour of the Generation Y in an online and offline context in the tourism sector have been missing. It is intended to provide further investigation in the generation's purchasing and consumption behaviours and in the effective marketing operations to target this of people. These pieces of information are not only valuable for academic purposes and for understanding the behavioural of this generation, but also for businesses in order to understand this group in its customer relationship. (Aksoy et al., 2013)

RESEARCH DESIGN

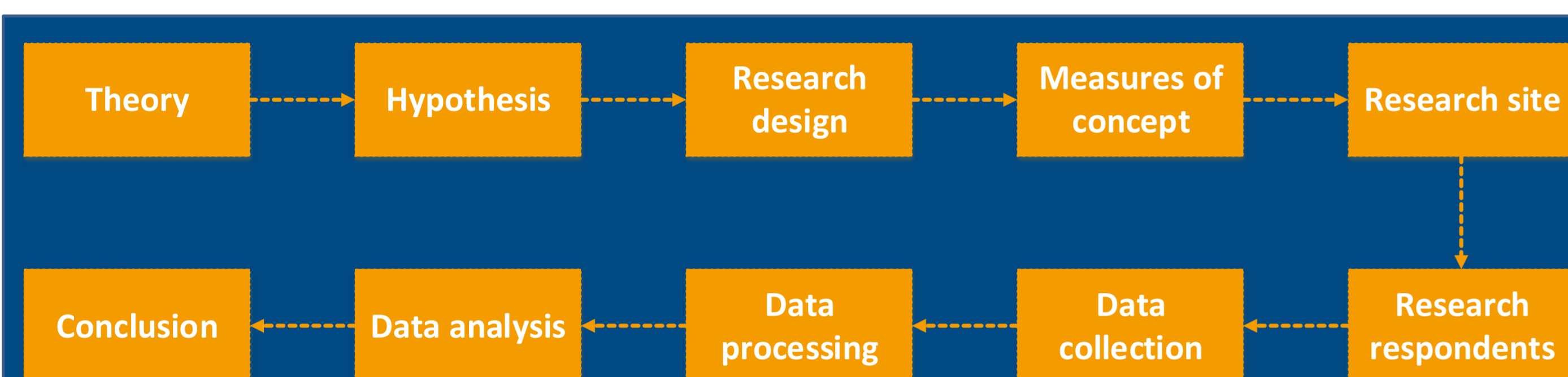


Figure 2.: Research process (ad. from Bryman, 2015, p. 150)

RESEARCH QUESTION

What is the Y generation's perception of new developments in the touristic e-commerce business? Which e-commerce channels are or expected by the Generation Y in a tourism context?

THEORETICAL APPROACH

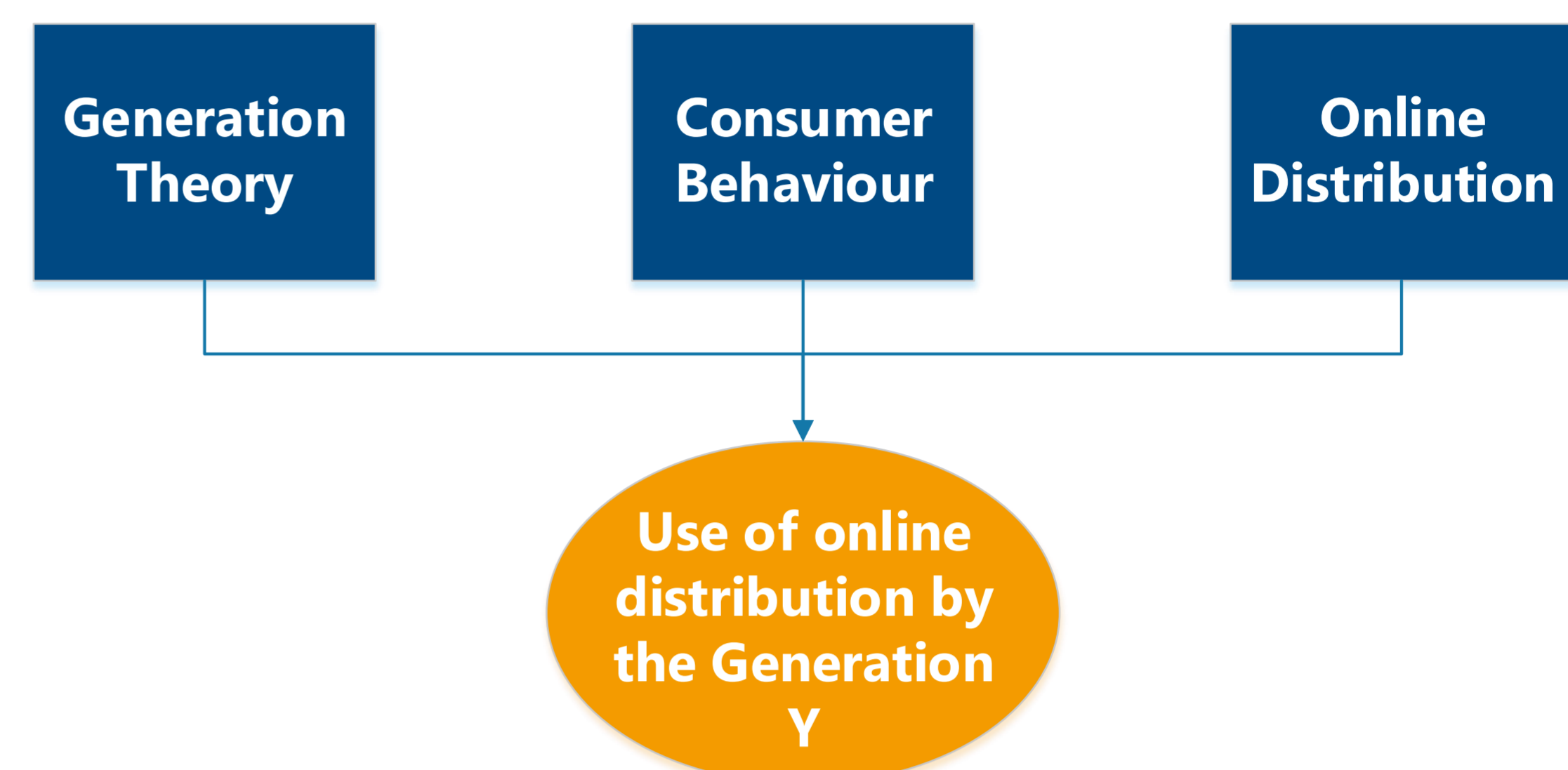


Figure 1.: Fields of research (own illustration)

- Quantitative approach
- Online questionnaire (421 valid responses by members of Generation Y)
- Test of five hypotheses & adapted model by investigating generational traits and online distribution characteristics
- Statistical analysis (descriptive & hypotheses testing)

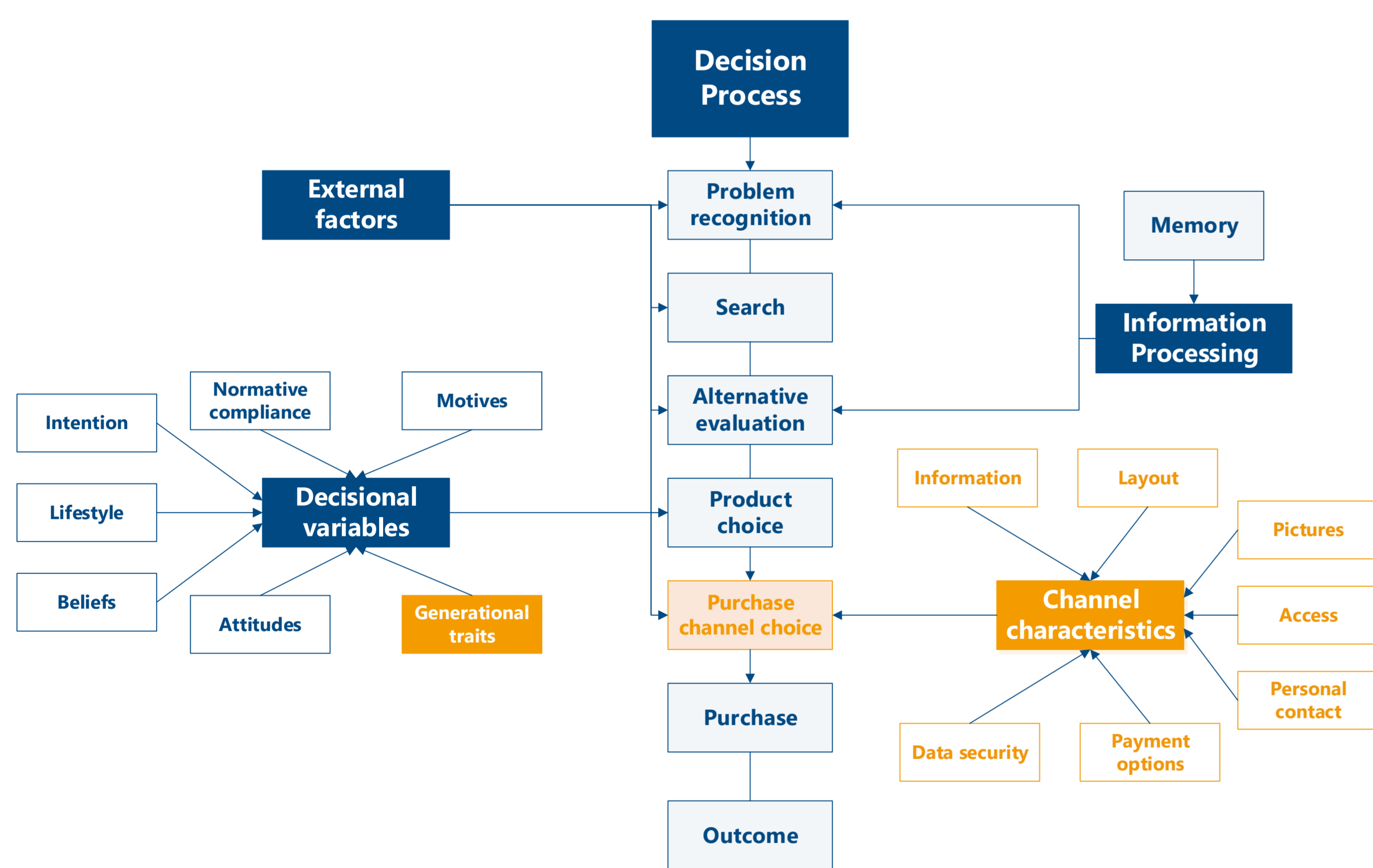


Figure 3.: Adapted EKB-model (ad. from Engel et al., 1968)

RESULTS

- General preference of online booking channels (specific differ according to product)
- Varying opinions about distribution channel characteristics
→ Assumption: personal preferences and characteristics have an impact on the purchase channel choice (see figure 3)
- New developments in touristic e-commerce not obvious to the Generation Y
- Price is most important aspect for booking channel choice (rather specific distribution channel characteristics or factors of website quality)

LIMITATIONS

- Specific characteristics of sample influence outcome
→ Indefinite, if results induced by generation or age
- Influence of not-tested factors possible
- Possible bias due to use of online questionnaire in relation to topic

RECOMMENDATIONS

- Incorporation of various online distribution channels
- High quality and effectiveness of channel
- Awareness of additional influencing factors (e.g. price, recommendations)
- Inclusion of generational differences in analysis and prediction of consumer behaviour
→ No universal distribution strategy (fit between company, target group and product)

LITERATURE

- Aksoy, L., Bolton, R. N., Parasuraman, A., Hoefnagels, A., Migchels, Kabadayi, S., . . . Solnet, D. (2013). Understanding Generation Y and their use of social media: A review and research agenda. *Journal of Service Management*, 24(3), 245–267. <https://doi.org/10.1108/09564231311326987>
- Bryman, A. (2015). *Social research methods* (5th ed.). Oxford: University Press.
- Dennis, C., Doherty, N. F., & Ellis-Chadwick, F. (2009). Exploring drivers, scope and perceived success of e-commerce strategies in UK retail sector. *European Journal of Marketing*, 43(9/10), 1246–
<https://doi.org/10.1108/03090560910976474>
- Engel, J. F., Blackwell, R. D., & Kollat, D. T. (1968). *Consumer* New York: Holt, Rinehart and Winston.