

ACCEPTANCE OF ONLINE MASS CUSTOMIZATION BY GENERATION Y

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Abstract: *Due to several attitudes, behaviors and skills members of Generation Y qualify themselves as promising target group for mass customization. To analyze the actual acceptance of online mass customization offerings a quantitative study (n=247) among GenYs (mostly German and Austrian students) was conducted. It was found that the actual interest in customization of this group is moderate. The activities and developments of female GenYs however are promising.*

Key Words: *Mass Customization, E-Commerce, Acceptance, Generation Y, Gender Marketing*

1. INTRODUCTION

Customization firms are enjoying remarkable growth [9]. Consumers more and more prefer to choose online customized products across a wide range of categories [7]. Due to distinct level of need for uniqueness, self-determination, purchasing power, familiarity to internet and configuration technologies as well as expectation of choice and personalization, the members of Generation Y (=GenYs) qualify themselves as promising target group for Mass Customization (MC).

Generation Y (also known as Millennials, the demographic cluster following Generation X) comprises the age group born 1980 to 2000. In 2016 members of this generation are 16 to 36 years old, i.e. school graduates, apprentices, students, job entrants (e.g. junior managers) and young parents. GenYs grew up with upcoming technologies, such as internet, mobile communication and social media. They experienced the invasion of Iraq, 9/11 terrorist attacks, global warming and economic crises [8]. They are well educated, but quite often without scheme of life and courage for decisions. Their aspiration is “freedom and flexibility”, however they have problems handling the almost unlimited number of offered options and are unable to cope with the “anything goes” mentality [1].

They are open for new things, do not have a tightened opinion, quarrel with standards and doubt very often. Answering “perhaps” is an often used response of these “maybes” [3]. Educated within a liberal parenting style GenYs are used to be involved into the purchasing and product decisions of their parents. This high level of autarchy, having a voice and self-determination explains

their high claim for development and employment and can be seen as reason, why this generation is called the “me-first-generation” [4].

2. QUANTITATIVE STUDY

To assess the acceptance of mass customization by GenY members a quantitative online survey was conducted. Altogether 247 members of the Generation Y (mostly German and Austrian students) answered ($AGE_{min}=17$; $AGE_{max}=36$; $\bar{x}_{AGE}=23,6$, $\sigma=4,0$). 150 (60,7%) participants are female ($\bar{x}_{AGE-F}=23,8$, $\sigma=3,9$) and 97 (39,3%) participants are male ($\bar{x}_{AGE-M}=23,4$, $\sigma=4,1$). 133 (53,8%) participants have already customized and purchased a product online (=MC-User).

2.1. Descriptive Results

Female users are more online mass customization oriented. Only 43 (=44,3%) of all 97 answering men are MC-Users, whereas 90 (=60%) of all 150 surveyed women have already purchased a MC-product online. Thus, 40% more women than men are MC-Users. The MC-Users (male + female: n=133) have purchased 665 MC-products altogether. Hereof 492 MC-products were purchased by the 90 female MC-Users, whereas only 173 MC-products were purchased by the 43 male MC-Users.

Thus, each single female MC-User has customized 5,5 products, whereas each single male MC-User has customized only 4,0 products on average. The objective of customization considerably differs between male and female users. Most products customized by men are intended for self-usage, whereas the majority of products customized by women are intended for gift-giving.

Most popular is personalized media, such as photo-books (42% of all products) followed by casual fashion (30%), such as printed t-shirts, and personalized products (12%), such as self-designed bags, mugs etc. Further product categories are food, (cell phone) skins, (made to measure) business fashion, shoes and others, such as toys, laptops, personalized books, jewelry and cosmetics.

Have you ever customized and purchased a product online?

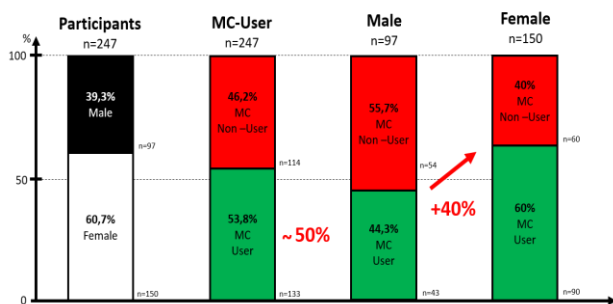


Fig. 1. Distribution of answers

2.2. Motives

Addressing the MC-Users the reasons for self-customization were measured on a 5-point Likert scale (1=disagree, 5=agree). The strongest motives are (1) “The product meets my aesthetic taste” ($\bar{x}=3,9$; $\sigma=1,2$), (2) “It’s fun being creative by doing-yourself” ($\bar{x}=3,8$; $\sigma=1,3$) and (3) “The product has the form / function I need” ($\bar{x}=3,6$; $\sigma=1,4$), followed by (4) “I’m the only one with such a product” ($\bar{x}=3,0$; $\sigma=1,5$) and (5) “My personality is better shown” ($\bar{x}=2,9$; $\sigma=1,4$). Within these motives there are no gender specific differences ($n_{men}=40$, $n_{wom}=70$), whereas (6) „I’m proud of the „Self-Made“ product“ is stated significantly stronger ($t(99)=2,468$; $p=0,015^*$) by women ($\bar{x}=3,7$; $\sigma=1,3$) than by men ($\bar{x}=3,1$; $\sigma=1,5$).

Addressing the MC-Non-Users the motives for not having purchased online customized products were analyzed. Actually, there is no single main reason for MC-resistance. The agreement to all suggested reasons is low in general. The “strongest” reason is (1) “It’s too expensive” with only a moderate agreement ($\bar{x}=2,8$; $\sigma=1,4$). The second strongest reason for resistance can be seen as field for improvements concerning the configuration process: (2) “The configuration process is too laborious” ($\bar{x}=2,3$; $\sigma=1,3$). The next two reasons address a certain aversion against online-shopping: (3) “I miss the shopping experience when shopping online” ($\bar{x}=2,3$; $\sigma=1,4$) and (4) “I don’t trust online shopping” ($\bar{x}=2,0$; $\sigma=1,1$). Likewise, the reason (5) “Manufacturers have professional designers, I don’t want to “distort” their offer” cannot be seen as decisive ($\bar{x}=1,8$; $\sigma=1,0$). Within these motives there are no gender specific differences ($n_{men}=54$, $n_{wom}=60$), whereas (6) „I didn’t know that online customization exists“ is stated significantly stronger ($t(111)=1,782$; $p=0,05^*$) by men than by woman ($\bar{x}=1,1$; $\sigma=0,4$). The level of agreement and the differences are very low. Consequences, such as executing an information campaign to inform (male) customers about Mass Customization, cannot be deviated reliably.

With an analog set of questions the MC-Users were asked why they have not customized more often. The answers are similar to the MC-Non-Users’ answers. Almost equal (low) levels of agreement can be found. Solely the two statements (1) “It’s too expensive” and (2) “The configuration process is too laborious” can be seen as starting points for improvements. A significant difference concerning the statement (3) “I don’t trust online shopping” can be found. Women ($n=89$) show a higher dislike of online shopping ($t(129)=2,701$; $p=0,008^{**}$).

Actually, activities and signs addressing the trustworthiness of online shopping could be helpful.

The open statements, why customization was not applied more often, are quite revealing. Over 40 statements were given, which could be categorized into the seven classes (1) No Necessity, (2) Missing Shopping Experience, (3) Lack of Time, (4) High Effort, (5) Limited Creativity, (6) Minor Quality and (7) High Costs (for content analysis and categorization see [5]). In the following the categories and typical statements are given:

- [No Necessity]: *Usually, I don’t think of it. I have other ideas. It’s unnecessary. There are enough good products on the market.*
- [Missing Shopping Experience]: *I miss real life shopping experience with touch and feel.*
- [Lack of Time]: *Customization takes a long time. Online Shopping has long delivery times – offline is much faster.*
- [High Effort]: *Sometimes you have to download a configuration software or a file.*
- [Limited Creativity]: *Many customizable products, such as printed mugs, are „mainstream“ in the meantime. You can design only a little and work with templates. Your creativity is limited.*
- [Minor Quality]: *Customized products are often of minor quality and look cheap (e.g. bad printings).*
- [High Costs]: *Customization is too expensive, shipping costs for example are high.*

2.3. Overall Evaluation

Finally it was assessed how MC-companies are assessed in general by all participants (i.e. MC-User & MC-Non-User; $n_{all}=247$). The companies are evaluated as very customer oriented ($\bar{x}=4,1$; $\sigma=1,0$), up-to-date ($\bar{x}=3,6$; $\sigma=1,0$) and professional ($\bar{x}=3,1$; $\sigma=1,0$). Although contemporary companies are expected to offer MC ($\bar{x}=3,1$; $\sigma=1,2$), GenYs do not tend to use it ($\bar{x}=2,6$; $\sigma=1,2$). Eventually there is a quite consistent agreement of all GenY members that their evaluation of a company is pretty much the same, if MC is offered or not ($\bar{x}=3,6$; $\sigma=1,2$).

3. CONCLUSION

Considering the promising growth rates in mass customization as well the reports about Generation Y members emphasizing their need for uniqueness, internet affinity and other idiosyncratic attitudes, the results of this study are quite sobering. Only 50% of the participating GenYs have purchased online customized products already. A certain fundamental reservation towards E-Commerce, which was mentioned by some participants, cannot be seen as substantial reason for resistance in view of prevalence and acceptance of online shopping in this age group. Online retail represents the strongest distribution channel in Mass Customization [9]. Indicators and signs (e.g. certificates) emphasizing the trustworthiness of the online shop should be applied anyway. A company is equally evaluated by GenY members, if it offers MC or not. However, the company is better evaluated in terms of customer orientation, topicality and pro-

fessionalism, when customization is possible. Actually, it is expected that a contemporary company offers MC, although this offering will not be utilized necessarily. These findings can possibly be traced back to the fact, that GenYs are used to have almost unlimited choice options. They expect freedom and infinity. Understandably, a company offering these attitudes is superiorly evaluated. Targeting Generation Y a company is well advised to offer customization, not expecting direct revenues originating from this business model but positive effects strengthening the overall image and brand perception, which – ultimately – results in indirect (monetary) returns, for example by selling more standard products.

Reasons, why not respectively not more customized products have been purchased, have to be discussed differentiated: Statements like *“Customized products are often of minor quality and look cheap”* can be seen as unmistakable call for improvements within production. Communication activities necessarily have to comprise descriptions and proofs of the qualitative execution. Further mentioned reasons are *“There are enough good products on the market”* and *“Many customizable products [...] are „mainstream“ in the meantime. Your creativity is limited.”* These statements target the quite often exchangeable assortment and solution space of MC-companies. Entrepreneurs are asked to invent new offerings pleasing the customers’ need for novelties and variety seeking.

Additionally the criticism *“Sometimes you have to download a configuration software”* and the evaluation *“The configuration process is too laborious”* reveal, that there is great demand for improvements concerning the configuration systems. Easy access, high usability, simple handling and freedom of creation are crucial guidelines creating a configuration system. As orientation the **H-U-V** principle might be applied. It comprises the dimensions **H**elp, such as design inspirations by company or other customers, **U**sability, such as structure, guidance and process orientation, and **V**isualization [10 based on 9]. Best way meeting the object *“Customization is too expensive”* is to regularly communicate the customer values in consistent and authentic way (find an overview of principles of consumer behavior in the context of Do-it-Yourself / Customization in [2]) or rethink the positioning of the MC-offering (find a description of self-customization and gift giving in [6]). Finally, women are seen as promising target group for customization offerings. The findings of this study, especially customized products as objects of gift giving, open a field of further research.

4. REFERENCES

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