

Consumer Behaviour of "Young Adults" as a Determinant of the Development of Product Innovation

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Abstract

Consumption patterns and related consumer behaviour are changing alongside the development of globalization and computerization processes. These changes force companies to take special care of their own innovativeness. The aim of this article is to present changes in the consumer behaviour of the "young adults" generation and the consequences that may arise as a result of these changes for the development of innovative products. In order to achieve the assumed research objective, quantitative research was carried out, using a questionnaire survey conducted on a sample of young people aged 18-29, referred to in Poland as a generation of "young adults". The analysis of the research was carried out in two stages. The first one presented the frequency distribution of selected answers, while the second stage analysed the correlation of the innovation degree of "young adults" with the most common indicated types of purchasing behaviour. Research results indicated that the consumer behaviour of "young adults" is to a large extent determined by technology this generation grew up with. In particular, the use of online tools, including social media, is closely related to the way of acquiring innovative products. The specificity of "young adults" behaviour described in the research indicated that companies that intend to develop innovative products should especially take into account the new way of communication, perception of product value and motives for consumer behaviour when designing and developing innovative products.

Keywords: Consumer behaviour, Millennials, Innovation.

JEL classification: M31, D12, D40.

1. Introduction

Millennials are a generation of young people born in the 1980s, characterized by a strong integration of technology with various areas of their lives and a different specificity of consumer behaviour. This is an interesting research group, also due to its size and purchasing power, which constitutes a population of about two billion people in the world that spends 200 billion a year (Moreno et al., 2017).

Direct communication with the outside world has become an important indicator for this generation and thus changed their consumer behaviour when compared to previous generations. It is important to analyse Millennials' behaviour profile, as it is a generation that has adapted to the process of continuous change, adjustment and reconfiguration (Moreno et al., 2017).

In this article, the term "Millennials" is mentioned alongside "Young Adults", which refers to the same generation. The two meanings result from the lack of consistency among researchers regarding the specific date of birth and the age range of members of this group. "Young adults" is a generation of people aged 18-29, born and living in Poland, whose development was affected by intense social and economic changes taking place in this region of Europe. Despite some differences in the standard of living, mainly related to the access to technology, "Young Adults" exhibit features typical of Millennials, as presented in the research.

Therefore, the author of the article will use the term "Millennials" to illustrate certain general characteristics of the described generation, whereas when referring to special behaviours mainly in relation to innovative products, the term "Young Adults" will be used.

The aim of this article is to present the consumer behaviour of "young adults" that may have an impact on the development of product innovation and the innovativeness of companies.

2. The essence and changes in consumer behaviour of the generation of Millennials and "Young Adults"

Today, Millennials constitute a significant population in terms of size, whose purchasing power is growing and becoming a challenge for companies from various industries. It is also a group of consumers that exhibits different consumer behaviour compared to previous generations (Smith, 2011). Generally, it can be said that consumer behaviour is understood as the entirety of activities that relate to the process of acquiring goods and services by final recipients. This process includes preparation for purchase, making a decision about choosing a specific product, its purchase and use. Consumer behaviour is determined by many factors of different character and importance, thus is complicated and undergoing constant changes. (Dąbrowska et al., 2015).

According to the literature on the subject and researchers who deal with the subject of Millennials, the consumer behaviour of this group is especially distinct from earlier generations in the areas of: communication, used sources of product information, approaches to product and brand value, as well as the purchase process itself.

Millennials are a generation that sets the boundaries between the before and post digital worlds. People born in the '80s gained access to the latest technologies in their early youth. They acquired new technical competences, following the development of information and communication technologies (Moreno et al., 2017). Focused on the use of the latest solutions and the potential that in the following years provided the development of the Internet, they have developed their own ways of communication, which are primarily based on speed, immediacy, dialogue and interaction. Millennials are accustomed to information processing at a very fast pace, show little understanding of the lack of immediate contact, are quickly bored and have difficulties focusing for longer time (Weyland, 2011).

When looking for information on products or brands, they rely more on the opinions of friends and electronic word of mouth (eWoM). They do not want to be the target of the advertising companies, and thus the information that reaches them must be honest, direct and efficiently conveyed (Weyland, 2011). Millennials are constantly following their peers in social media to determine the value of the product (Smith, 2011). Wanting to stay in a real and direct contact with the seller, they are significantly eager to download applications and special programs approved by other participants of Internet communities (Moore et al., 2012).

Millennials show a different approach to the value of product and brand. They are looking for interaction and participation in project teams responsible for product development (Moreno, 2017). Brands can engage young consumers through social media, as well as can allow Millennials to express and meet their expectations in the process of product and service development. Young consumers want to engage in products and services of a strong brand. (Biligihan, 2016) They often choose and consume products that help them determine their identity (Ordun, 2015).

The percentage of purchase, which is significant in terms of both value and quantity, is carried out by Millennials in online stores. In e-commerce, young buyers are looking for utility benefits: the ability to compare prices, visually attractive storefronts that provide positive experiences during purchases. Purchase for Millennials is not only a process of buying goods, but also a source of pleasure (Biligihan, 2016). Positive navigation experiences related to the place of purchase have a positive impact on the beliefs and, consequently, on the intention to purchase (Küster et al., 2016). Research shows that the representatives of the described group prefer buying products from online retailers operating on Facebook and Instagram, and that the

positive image of e-traders in social media increases the inclination to purchase in this group of clients (Muda, et al., 2016).

Moreover, the research carried out in the group of buyers referred to as Millennials shows that they are trustworthy, tolerant, individualistic, well-educated and prepared to use technology in many areas of life much better than previous generations (Furlow, 2012). They are open, social, innovative, energetic, ambitious, reliable, motivated and intelligent young people (Ordun, 2015).

As it was already included in the introduction, Millennials have developed a bit differently in various countries due to the effect of socio-economic conditions. The development of information technologies, free access to the Internet, especially in Central and Eastern Europe, took place with some delay. This had an effect on the slower pace of the dissemination of certain behaviour patterns. However, due to the strong need of the inhabitants of this part of Europe to break free from the social, cultural and economic isolation, the 1990s witnessed intense changes taking place in the consumer behaviour of the described group. Currently, Polish Millennials are very much like their peers in other countries. However, they are often described by Polish researchers as "Young Adults".

Therefore, the group of "Young Adults" on the Polish market consists of people aged 18-29. These are people whose adolescence took place after 1989, as a result of which they are definitely different youth than young people from previous generations. This was determined by circumstances related to the period of systemic transformation and the opening of Poland to the West. In this new world, young people move much more freely than their parents. They perceive new values and norms as obvious, among which freedom, pragmatism and individual success are of the greatest importance. "Young Adults" show sensitivity to efficiency incentives that differ from the incentives of previous generations, and display new consumer behaviour.

The literature on the subject and research carried out in the group of "Young Adults" justifies the importance of this group for the following reasons (Ostrowska, Gracz, 2014):

- a high share in the demographic structure of Poland – people aged 18-29 currently constitute about 18% of the population of Poland,
- increase in the standard of living for young people who take up a job, receive scholarships while studying, and at the same time are still supported by their parents, which means that young adults can be administrators of valuable income,
- making independent purchasing decisions – the representatives of the analysed group purchase items to satisfy their own needs as well as support their family members decisively. They constitute a significant purchasing group on the Polish market of many types of services (e.g. entertainment, catering, hairdressing, cosmetic, cultural, recreational, mobile telephony, but also banking and insurance).

It should be noted that the distinction of the group of "Young Adults" (18-29 years) was mainly caused by the growing market activity of this group and the increase of funds spent by them. The group of "young adults" seems to be important also because it is the first generation who spent their entire adult life in a market economy, and from the early years of their youth, has had knowledge about developing communication technologies. At the time when Internet access became a common feature, the representatives of this group became the biggest advocates of using technology in many areas of life. The consumer behaviour of "Young Adults" in many respects is similar to the behaviour of peers living in other countries, especially Western Europe.

3. Methodology and research results

Own research was carried out from October 2017 to March 2018 on a sample of 350 people from all over Poland, deliberately selected in terms of age, so they constitute a homogeneous, representative sample of "Young Adults" aged 18-29. The research was carried out applying surveying methodology with the use of a paper questionnaire. While preparing the completed questionnaires, it turned out that 19 of them were incomplete and a sample of 331 people was accepted in the further study and conclusions. The analysis of the results was carried out using the IBM SPSS software.

The presented research results regard: reactions to innovative products and significant behaviour related to the purchase of innovative products.

The research problem was included in the following questions:

- how "Young Adults" react to innovative products,
- which sources does the researched group use when seeking information on innovative products,
- what are the reasons and motives for purchasing innovative products,
- where and how "young adults" buy innovative products.

The main hypothesis of the study assumed that changes in consumer behaviour of "Young Adults" affect the way of acquiring innovative products.

The analysis of the results was divided into two parts. The first described the results taking into account the frequency of the selected answers, whereas the second deepened the analysis by looking for relations between the most frequently chosen responses and the innovation of "Young Adults" described as reaction to innovative products.

The results of conducted and developed research in groups of "Young Adults" are presented below.

The process of purchasing decisions regarding innovative products comprises several stages, namely: awareness of the existence of new products on the market, interest, acceptance and purchase. In the first stages, mass media plays an important role thanks to which the consumer learns that the novelty is on the market, while at the stage of product acceptance, personal sources of information, namely friends and family, are more important (Mazurek-Łopacińska, 2003). In the performed research, "Young Adults" indicated that they mainly use social media as a source of information about innovative products (73.6%) and opinions of other users (66.3%). Moreover, they neither read articles in the specialized press (81.2%) nor watch TV programs on product news (78.9) to gain information.

An important factor in the process of making decisions about the purchase of innovative products is the consumer's attitude towards the novelty, the so-called consumer innovation understood as readiness to buy new products (Sojkin, 2012). An innovative consumer is a person who uses and knows how to use novelties, as well as is open, demanding, and knows their needs. People who define themselves as innovative positively respond to innovative products, use new solutions, like new products, know what they want (Kucharska, 2013). In order to determine the degree of innovation among "Young Adults", the respondents' reaction to innovative products was examined. 66.5% of the respondents react positively to product innovation, 28.4% respond very positively, 4.4% react in a negative way and 1.7% react very negatively.

The main reasons for "Young Adults" to buy innovative products presented in the research were:

- 49.8% of the respondents indicated that the need to use new functionalities offered by innovative products was very important, whereas 20.5% considered it rather important,
- 52% of the respondents indicated the curiosity to try a new product as very important, and 24.5% as rather important,
- 54.4% of respondents said that the desire to try a new product was a very important reason,

whereas 23.5% considered it rather important.

The described motives of behaviour of "Young Adults" indicate their openness and interest in purchasing innovative products, but also a conscious effort to satisfy their needs.

The next important stage in the decision-making process is the purchase of a product. It should be noted that a positive attitude towards innovation is not always associated with decisions about buying them. According to the researchers, only a small percentage of consumers (16%) like to buy new products to try them out (Szul, 2016). Thus, the place of purchase may be an important factor influencing the final decision to buy innovative products. The surveyed group of "Young Adults" in 68.8% indicated that they almost always look at and buy products in the online store.

Considering the fact that some of the answers characteristic for consumer behaviour were chosen more often, the author decided to deepen the analysis towards finding relations between the innovation of "Young Adults" group, described as reaction to innovative products, and the most frequently chosen answers in other questions. In order to do this, Pearson's χ^2 correlation analysis were performed, including the Fisher test. The strength of the relation was calculated using Cramer's V test. The significance level was found to be $\alpha = 0.05$, however the results of the test statistic probability at $0.05 < p < 0.1$ were interpreted as significant at the level of statistical tendency.

It was therefore decided to investigate how the way in which the respondents look for information on innovative products is related to the reaction to them, taking into account the results regarding the selection of information sources on innovative products.

Table 1: Relations between reactions to innovative products and the way of finding information about them.

	Reaction to innovation products		
	χ^2	p	V
Using social media to acquire information about innovative products	12.69	0.004	0.22
Using opinions of other users to acquire information about innovative products	10.25	0.011	0.19
Using articles in the specialized press to acquire information about innovative products	7.52	0.042	0.17
Watching TV programs about new products to acquire information about innovative products	9.41	0.016	0.18

Source: own work

Statistically significant correlations were observed between reactions to innovative products and searching for information in social media, using articles in specialized magazines, watching programs about new products as well as using the opinions of other users. Relations that were statistically significant were characterized by a weak strength (Table 1). In order to check their direction, a frequency analysis was carried out, which showed that among the surveyed "Young Adults", the majority of people had a positive opinion, and at the same time used social media to look for information about innovative products. On the other hand, people who reacted badly to new products mostly did not look for information in social media.

Another way to look for information that was a statistically significant correlate of reactions to innovative products turned out to be the use of other users' opinions. Among those

who positively reacted to new products, more respondents gained information from other users' opinions.

Then, a correlation describing the relations between looking for information on innovative products in specialized press and reactions to these products was examined. It turned out that the largest number of people who responded positively to new products at the same time did not use specialized press.

Moreover, watching TV programs on new products has been correlated with the reaction to innovative products. The respondents who responded positively to innovative products did not watch programs on new products to obtain information about them.

Following the same principle as above, the next stage investigated whether there was a relation between the reaction to innovative products and the reasons for buying them. In order to achieve this goal, three reasons for buying new products were analysed.

Table 2: Relations between reasons for buying innovative products and a reaction to them.

	Reaction to innovation products		
	χ^2	p	V
Buying innovative products due to the need to use new functionalities offered by the new product.	25.67	0.001	0.17
Buying innovative products due to the curiosity of trying a new product	40.58	<0.001	0.23
Buying innovative products due to the desire to try a new product	22.49	0.002	0.17

Source: own work

After the analysis, it was noticed that there are relations between the three selected reasons for buying innovative products and the response to them (Table 2). Although all correlations were at a weak level ($V < 3$), it was decided to test them as above.

Most often, respondents declared a positive reaction to innovative products and recognized the need to use new functionalities offered by new products as a valid reason to buy them. The most common response among respondents, regardless of their approach to innovative products, was the "important" answer. Differences appeared in the case of "very important" answer, which was most often declared by people with a very positive attitude to product novelties, and least often by people with a negative reaction.

Furthermore, buying new products out of curiosity was statistically and significantly correlated with the reaction to innovative products.

People who reacted very positively to new products, most often considered curiosity as a very important reason. Over half of the people who felt that they responded positively to innovative products said that curiosity is an important reason to buy them.

Another example of statistically significant and weak relation was the correlation between the reaction to innovative products and buying them due to the desire to try a new product.

The respondents who had a positive or very positive reaction to innovative products most often considered the willingness to try a new product as an important reason to buy them. In both groups, the least common answer was "completely unimportant".

4. Research conclusion

As the literature studies on Millennials show, this generation, which grew and developed in the world of technology, freely uses the available solutions to communicate with the outside world and build relationships with the environment. The Internet, and especially social media, have become a natural environment for cooperation, collaboration and coexistence of this generation. Due to the fact that this phenomenon is lasting, it is treated as the natural tendency to be more present in social media rather than to look for relationships outside of it. Social media has become a place where Millennials are looking for and sharing knowledge, information, opinions about products, services, brands and organizations.

The carried out research shows that "Young Adults" primarily use social media as a source of information about innovative products. Moreover, a relation between the use of social media and a positive attitude to product innovation was found, which might suggest that there is a large group of innovators in social media. At the same time, "Young Adults" with a positive attitude towards product innovation do not use traditional media as a source of information about new products. This refers to previous information, according to which Millennials are distrustful of advertisements presented in traditional media and prefer direct information passed on by other users. It should be emphasized that companies that intend to reach the generation of "Young Adults" with the information about product novelties should engage in social media. In practice, this means that organizations should actively participate in the life of the community and focus not only on presenting the advantages of their products. Lack of authenticity and openness by the company will be efficiently noticed and verified by the "young adults" community.

Another important aspect of the Millennials' behaviour is their attitude to brands and values of products offered on the market. This generation wants to experience the possibility of co-creating value at both brand and new product levels. The research carried out indicates that "Young Adults" are guided by curiosity about new products and are eager to try them out. However, it should be remembered that as a generation they are ambitious and well-educated, have knowledge and access to information which enables them to verify the values that an innovative product provides. In this sense, it is more beneficial to engage "Young Adults" in the process of co-creating value than to create ready-made solutions for them. This information is very beneficial for companies that intend to include consumers in the process of creating innovation. The conscious attitude of Millennials combined with the need to gather experience confirm the readiness of this generation to be an active co-creator in the process of creating product innovation. Referring to the above, studies carried out on the same group of recipients can be presented, where respondents were asked to participate directly in the process of product innovation development. 59% of "Young Adults" confirmed their participation in the case of testing of ideas and product prototypes.

Another distinctive behaviour of Millennials is the manner of buying and the place of purchase. The group buys mainly on the Internet and uses various applications provided by trade companies for this purpose. It expects from online stores not only useful shopping functions but also an interesting shopping atmosphere that generates new experiences. Moreover, the examined group of "Young Adults" indicated online stores as the most frequently chosen place of purchase of product novelties. In practice, this means that companies selling products, including product novelties, should adapt their sales methods to the expectations of the generation in question. They should combine sales in online stores with sales in the social media because, as research indicates, this increases the trust and willingness to buy of the discussed generation of buyers.

5. Summary

Consumption patterns and related consumer behaviour are changing alongside the development of globalization and computerization processes. These changes force companies to take special care of their own innovativeness.

According to C.K. Prahalad and M.S. Krishnan, innovation is understood as shaping consumers' expectations, and at the same time constantly responding to their changing requirements and behaviours (Prahalad, Krishnan, 2008). It can be concluded that consumers' needs and expectations can be an important basis for creating innovations in enterprises and, on the other hand, organizations, creating new products, shape innovative consumer behaviour.

The described situation is illustrated by changes in Millennial behaviour. This generation grew in the era of intensive technologization of the economy and uses modern tools for communication with its communities as well as enterprises. This group is focused on dialogue and cooperation, recognizes the need to engage in the development of brands and products since it notices the benefits for each of the parties. Thus, the discussed generation is, on the one hand, a challenge for companies with well-established schemes of development, but on the other, appears to be a perfect partner for creating products that are attractive for buyers.

Bearing in mind the fact that Millennials is a large group of consumers in the world, which is important in terms of purchasing power, it seems that companies should draw on the knowledge and resources offered by the group in question.

Referring to the research (Cooper, Edgett, 2008), which for at least two decades has been deliberating on too low effectiveness of product innovation development processes and frequent market failures of new products, it is worth noting that on the market there is a group of buyers who openly declare willingness to cooperate during the development of innovation at every stage. Access to modern communication technologies and social media significantly facilitates this kind of cooperation and becomes a natural environment in which the boundary between the organization and its clients is lost.

Millennials, "Young Adults", set new directions for the development of product innovation, as well as indicate the need for openness and adaptation of enterprises to new conditions in accordance with the principle they themselves follow.

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