

**UNIVERSITY OF VAASA**  
**SCHOOL OF MARKETING AND COMMUNICATION**

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**THE ROLE OF SOCIAL MEDIA IN INFLUENCING MILLENNIALS'  
CONSUMER BEHAVIOUR**

**A study on consumers' perception and the purchase decision process**

Master's Thesis in  
International Business

**VAASA 2018**



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**ABSTRACT:**

Millennials are the largest living generation, a group of consumers with high purchasing power and a really close relationship with digital technologies. The internet widespread and the creation of Web 2.0 have changed the way these customers engage with brands, leading to a variation of their consumer behaviour. Millennials do indeed benefit from a situation of information overabundance, in which they can search for data about every type of product they are interested in purchasing. Much of this information is often gathered through social networks, i.e. digital platforms where users communicate with their acquaintances, follow influential and famous personalities, and engage with brands.

This master thesis investigates the influence that social media can have on the Millennial consumer behaviour, focusing on the aspect of perception and on the purchase decision process. Consumption is indeed driven by many personal, commercial and socio-cultural factors, and the latter are especially important nowadays due to the virtual proximity of web users.

The empirical research was based on the analysis of a quantitative survey strategy and following face-to-face interviews with Millennials. Results highlighted the influence that social media can have on consumers, especially through the usage of influencer marketing. Most Millennials seem to like these personalities and trust their opinion more than commercials which use celebrity endorsement. But a minority of Millennials is strongly against influencers and reacts to their advertisements in the complete opposite way. Therefore, companies need first and foremost to directly communicate with consumers and build a positive brand image. They should subsequently analyse their targets and use data mining technologies to personalise and customise advertisements in order to reach consumers' attention through an effective social media strategy.

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**KEYWORDS:** Millennials, Consumer Behaviour, Purchase Decision Process, Social Media, Social Media Marketing



## **1. INTRODUCTION**

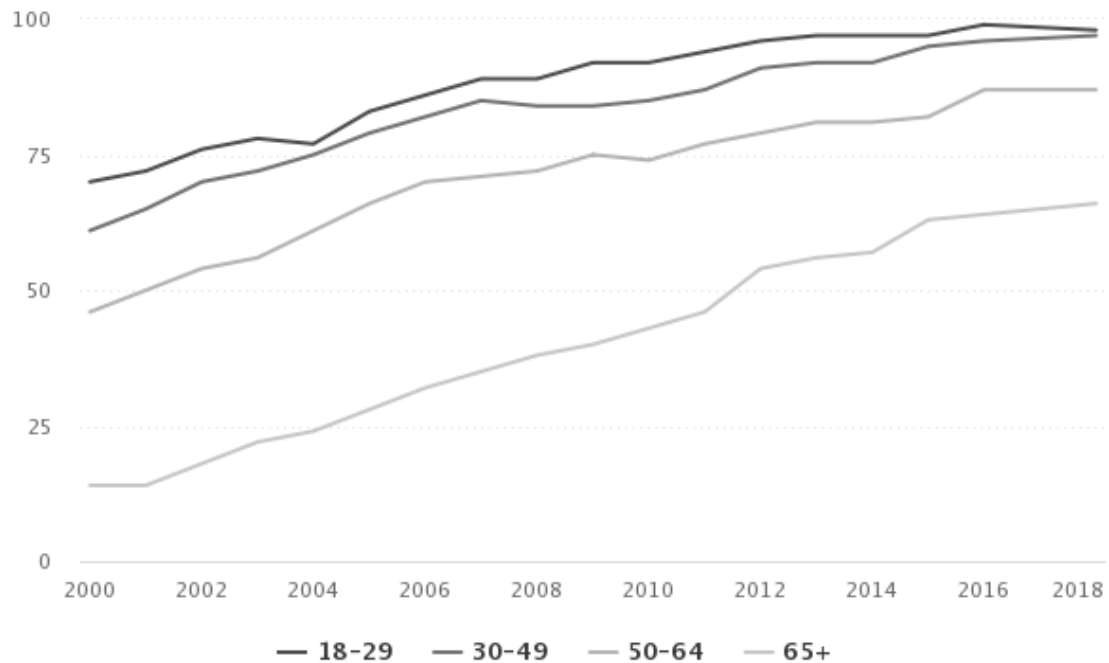
This chapter introduces the topic of the thesis. It has the aim to provide background information helpful to understand the dissertation and explain the research gap contemplated in the study. In addition it presents the research questions and the main objectives which have been set in order to fulfil the thesis' purpose. Lastly, some delimitations and the overall structure of the thesis is shown in order to give the reader the possibility to have a clear picture of the work.

### **1.1 Background of the study and research gap**

Millennials count for 27% of the world's population (Kendrick 2017). They are the largest and most liberal generation, at ease with the technological revolution and active users of social media. It is a generation that rejects labels and avoids long-term commitments. As children of the digital era, their instinct is to browse, to compare everything they see, and to wait for the next big thing (Taylor 2015). Cell phones and social networking sites such as Facebook, Instagram and YouTube are integral parts of their lives, and each of them produces changes in the Millennials' behaviour (Taylor 2015).

The widespread of social networks has carried along an extensive sharing of data by all their users. This has created an environment of information overabundance. For Millennials, the research of information has become the primary reason to check their social media with high regularity. More than half of Millennial users of social networking sites check the latter multiple times a day and use them also to evaluate the information which they encounter in the physical world. More and more people have indeed become content creators. It is increasingly common for Millennials to share on networks their new discoveries, but also their feelings and every other type of opinion. (Taylor 2015; Berger 2018.)

The usage of internet in general has increased enormously in the last years. This growth has been important for every age group, but especially for the youngest ones, such as Millennials (Figure 1).



**Figure 1.** Percentage of adults who use the Internet (Pew Research Centre 2018a).

In this digital environment companies need to be flexible and follow the dynamism of the moment, not to be left behind. The number of living Millennials means in fact an extremely high purchasing power. According to Accenture, Millennial shoppers spent around \$600 billion already in 2013, and by 2020 this amount is expected to grow to \$1.4 trillion (Donnelly and Scaff 2013). Indeed, since last year, every Millennial has finally become an adult and will most probably have the full capacity of independent purchase.

To be able to succeed in this digital era, and to continue doing it in the future, companies need to have the knowledge of how to apply media such as the web and social networks. They need to find a successful digital marketing strategy (Chaffey and Ellis-Chadwick 2016). This is especially true in regard to Millennial customers, because

businesses need to reach the members of this generation and attract them where they search for informations the most: on the web.

Companies that decide to use digital marketing strategies to communicate with their targets have to their disposal different options and many channels such as e-mails, desktop advertisement and social media. In any case, they not only need to be very careful about their decision, they also have to pay an increasingly attention to the outside environment. In fact, especially on social networks, consumers speak and share opinions creating an electronic-word-of-mouth publicity which can bring an unexpected advantage or disadvantage to the brand (Wang and Yu 2017). Word-of-mouth on social media, can change the perception that consumers have on a specific brand or product and the same can be done by a successful social media marketing strategy (Dimofte, Haugtvedt and Yalch 2016).

Many scholars have already treated the topic of social media influence on the consumer purchase decision process, indeed this can be considered an actual topic of great interest and important implications at business level. However, most studies concern just consumers as a whole, or they tend to focus on elder generations of buyers like Baby Boomers and Generation X, since they are the most unpredictable online shoppers, less at ease with technologies (Kol and Lissitsa 2016). These studies also tend to select specific locational delimitations, overlooking the intrinsic international aspect that digital tools as social networks bring along. It is because of this first gap that the study focuses on Millennials, intended as an international generational consumer category.

Another gap which can be found in the literature regards the exact consumer behavioural aspects that are influenced by social media. The spread of social networks among all types of consumers and in particular Millennials, has made it increasingly necessary for businesses to know their customers' behaviours and attitudes inside of the digital space. Marketers need to understand the decision processes of their customers in order to form successful digital marketing strategies (Chaffey and Ellis-Chadwick 2016). Of course the aspects that can be considered are various, but for clarity and concision purposes, this thesis focuses mainly on the variable of perception, i.e. how it

changes the behaviour of Millennial consumers given certain stimuli, and also on the process of purchase decision.

Lastly, to make the empirical part clearer and more defined, when asking consumers about their opinions, it will be made reference both to the overall market of goods and also to some particular industries. The general market context is used mainly for the purpose of direct the respondents in topics they may not be very familiar with. The sector-specific questions aim instead to gain more in depth knowledge on two interesting market segments which are the watches business and the footwear business. Both these industries have indeed changed considerably their marketing strategies over the past years, and they seem to have become really present on social media. By using specific market segments the research will finally be more focused and defined, and it will be easier to analyse the responses.

## **1.2 Purpose of the study, research questions and objectives**

Aim of this study is to analyse consumers' behaviour when influenced through social media, and to report how the digital environment affects the purchasing decisions. In particular, the study focuses its theoretical review on the target group of Millennials and the empirical part is based on responses of selected international customers belonging to this generation. The dissertation concentrates therefore on the Millennial consumers' behaviour and on the study of social media influence in sales activities, trying to identify reasons and facts that drive the Millennial shoppers into making specific purchase decisions.

Two research questions have been developed for this study:

- *“To which extent can social media variate a consumer's perception of products and brands?”*



- *“During which stages of the purchase decision process do social media influence the most Millennials’ consumer behaviour?”.*

To support these research questions, the study will focus on different objectives.

Theoretical objectives of the study are:

- To define the market segment of Millennials and to explain its relationship with social networks and social media marketing.
- To review the literature on consumer behaviour and analyse the role of perception linked to social media.
- To explain the various stages of the consumer purchase decision process, by linking them to the Millennial generation and the online environment, in order to create a theoretical framework appropriate for this master thesis.

Empirical objectives are:

- To collect quantitative data about the way in which Millennial consumers behave when influenced by social media, and about the way their perception is affected by these tools.
- To gather and analyse qualitative information about consumer behaviour in the market sectors of watches and footwear.
- To test the framework developed in the theoretical chapters, in order to understand in which stages social media marketing is more effective and able to influence Millennials’ behaviour the most.

The study follows a deductive approach. It will collect quantitative and qualitative data through the analysis of a questionnaire and the examination of face-to-face interviews. The participants will be volunteers belonging to the Millennial generation and coming

from different countries, making sure that the sample reflects as much as possible the international nature of the chosen target.

Final aim of the study is to give companies a better understanding of the behaviour of Millennial consumers and to provide information which can be useful to improve their marketing activities. The novelty of the topic lies in its consideration of Millennials under the lens of globalisation: they are seen as an international consumer segment and treated as a group with common characteristics and interests which distinguishes them from members of other groups (Askegaard, Bamossy, Hogg and Solomon 2016).

### **1.3 Delimitations of the study**

As it can be understood from the points highlighted in the previous sub-chapters, this work has multiple delimitations that narrow the possible extent of such a study. This choice was done both for reasons of personal interest, but also to better comply with the given constraints of a master thesis writing.

First of all, the consumers considered in this study are all belonging to the category of Millennials, recognised as the most representative generation for topics which regard the use of new technologies (Bolton, Gruber, Hoefnagels, Kabadayi, Komarova Loureiro, Migchels, Parasuraman, and Solnet 2013). Millennials are defined differently by various studies, because it is not possible to perfectly specify the beginning and the ending of a generational category. Though, for the purpose of this study we will consider Millennials as the group comprehending people born between the years 1980 and 1999, representing at the current moment consumers from the age of 19 to the age of 38. A more in depth definition will be given in the following chapter.

The second delimitation concerns the aspects influenced by social media marketing and the impact they have on the consumer behaviour. In this study we focus mostly on the consumer behavioural aspect of perception, although we acknowledge also the importance of other factors, i.e. motivation, learning and memory. The thesis

concentrates then on the purchase decision making process, as this is the most relevant part of the broad study of consumer behaviour.

The purpose of the thesis is to conduct an analysis of the consumers' behaviour under a managerial point of view and without deepening the psychological aspects of the topic. This is why we consider only the variable of perception and not all the others. What is relevant for this research is to understand how the Millennial consumer is influenced through social media; we consider just the consumer behaviour in general and the purchase decision processes, without deepening other psychological fields.

The model that is followed is the *six stages consumer buying process model*, an expansion of the five stages consumer buying process model first introduced by John Dewey in 1990. These are both models widely used and universally accepted by the scientific community. It is true that most scholars continue preferring the five steps model omitting the stage of the purchase itself, but for the purpose of this study and the fact that it is based on consumers highly committed to digital commerce, the six stages model appears to be more appropriate.

The thesis explains also briefly some other consumer behavioural models recently used in topics that regard digital marketing and online communication. But to have a higher reliability the stages model is followed exclusively, as it is still the most widely present in the literature.

A further reduction that is made to the studied topic regards the type of product. Of course consumer behaviour and purchase decision making refer to every type of goods or services that can be found on the market, but to simplify the empirical study we will refer mainly to two categories of products which are watches and footwear. The type of products will be therefore mainly footwear and watches of medium quality brands, which are not considered to be luxury, but do create a desire in the consumer since they may be related to fashion. We will not consider low cost goods, but only those who claim to be high quality and are placed in a medium price range.

Lastly, although this study aims to have an international dimension, the selected framework is concentrate mostly on articles and books written by western scholars, who are also the closest to the social media phenomena. Therefore, the Millennials we focus on are mostly people living in developed countries such as North America and Europe.

These delimitations of the theoretical part of the study help to keep the structure of the work simpler and more easy to develop, giving also the reader a good basis to understand the following empirical part of the thesis.

#### **1.4 Structure of the study**

The study consists of six distinct chapters that start by giving some general background information and end by gathering up all the results and discussing them under a managerial point of view. The theoretical part is presented right after the introduction of the argument, and is subdivided into two distinct chapters. These chapters are then linked by the construction of a new theoretical framework on which the following empirical part will be based. The empirical part is as important as the theoretical one, but being this a deductive study, the observed data has the main purpose of testing the previously presented literature framework.

The first chapter of this Master's Thesis, the one the reader is currently reading, is an introduction. Goal of this section is to present the topic of the study to the reader and to provide a background information useful to understand the following chapters. First it explains the reasons behind the choice of topic and its relevance, highlighting the respective research gap. Secondly it presents the purpose of the study by setting the research questions and defining the objectives. It also gives some key delimitations of the upcoming theoretical part and explains how the structure of the thesis has been conceived.

The second and third chapters deal with the theoretical review of the study. The first part aims to give some notions about the chosen generation and its implication with

social networks. The paper explains the difference between the concepts of social networks and social media, using some pre-existing theories about marketing and social media marketing in relation to Millennials. Subsequently, the research moves on to the study of consumer behaviour and especially its purchase decision making process, in order to build a well working framework in which the whole study is set. It is done a review of various types of literature that deal on one side with company's social media marketing strategy, and on the other side with customers' behaviour in correlation to social media. The six stages consumer buying process is explained in all its phases, but it is also made some reference to other types of models which can be used when referring to any type of consumer study.

Chapter four is dedicated to the methodology applied in the thesis. First it describes the research design with the selected methodological approach and research technique. It subsequently explains the data collection method chosen and present in detail how the study proceeded in the acquisition of primary and secondary data. Finally the methodology is evaluated under a validity and reliability lens.

The sixth chapter reports the empirical findings and provide an analysis of the latter. First it focuses on the variable of perception regarding the consumer psychology, but it also briefly refers to the other variables shown in the theoretical framework. It then analyses in detail how the different stages of the buying decision making are influenced. Second it builds a framework based on the empirical data gathered and analyse how customers' opinions and attitudes have been represented by the case study.

The last chapter is about conclusions. It first provides an evaluation of the outcomes of the study by examining and describing them. In doing this, the focus is put on connecting the empirical knowledge with the theoretical framework. Conclusions are subsequently given through a recapitulation of the findings, an acknowledge of its limitation and also the identification of managerial implications that may arise from the study.

To give the reader a clear and focused picture on how this thesis is organised, here it is shown the general structure (Table 1).

**Table 1.** Structure of the study.

<b>1. INTRODUCTION</b>	<ul style="list-style-type: none"> <li>• BACKGROUND OF THE STUDY AND RESEARCH GAP</li> <li>• PURPOSE OF THE STUDY, RESEARCH QUESTIONS AND OBJECTIVES</li> <li>• DELIMITATIONS OF THE STUDY</li> <li>• STRUCTURE OF THE STUDY</li> </ul>
<b>2. MILLENNIALS AND SOCIAL MEDIA</b>	<ul style="list-style-type: none"> <li>• GENERATIONS AS MARKET TARGETS</li> <li>• THE MILLENNIAL GENERATION</li> <li>• MILLENNIALS AND SOCIAL NETWORKS</li> <li>• MARKETING AND COMMUNICATION</li> <li>• DIGITAL AND SOCIAL MEDIA MARKETING</li> <li>• MILLENNIALS' RELATIONSHIP WITH MARKETING</li> </ul>
<b>3. CONSUMER BEHAVIOUR</b>	<ul style="list-style-type: none"> <li>• THE STUDY OF CONSUMER BEHAVIOUR</li> <li>• THE ROLE OF PERCEPTION</li> <li>• THE PURCHASE DECISION PROCESS</li> <li>• ALTERNATIVE MODELS OF PURCHASE DECISION MAKING</li> <li>• MILLENNIALS' BEHAVIOUR ON SOCIAL NETWORKS</li> </ul>
<b>4. RESEARCH METHODOLOGY</b>	<ul style="list-style-type: none"> <li>• RESEARCH PHILOSOPHY AND APPROACH</li> <li>• RESEARCH DESIGN</li> <li>• DATA COLLECTION TECHNIQUES AND SAMPLE</li> <li>• DATA ANALYSIS</li> <li>• CREDIBILITY OF THE RESEARCH</li> </ul>
<b>5. EMPIRICAL ANALYSIS AND FINDINGS</b>	<ul style="list-style-type: none"> <li>• THE WATCHES SECTOR AND SOCIAL MEDIA</li> <li>• THE SHOES SECTOR AND SOCIAL MEDIA</li> <li>• GENERAL FINDINGS</li> <li>• MILLENNIALS' PERCEPTION OF BRANDS AND PRODUCTS UNDER THE INFLUENCE OF SOCIAL MEDIA</li> <li>• MILLENNIALS' PURCHASE DECISION PROCESS UNDER THE INFLUENCE OF S. MEDIA</li> </ul>
<b>6. SUMMARY AND CONCLUSIONS</b>	<ul style="list-style-type: none"> <li>• SUMMARY AND KEY FINDINGS</li> <li>• MANAGERIAL IMPLICATIONS</li> <li>• LIMITATIONS OF THE STUDY AND FURTHER RESEARCH SUGGESTIONS</li> </ul>

## **2. MILLENNIALS AND SOCIAL MEDIA**

This chapter is the first part of this thesis' theoretical framework. It's aim, together with the following chapter, is to provide a pertinent literature review which the empirical study can be based on. Firstly, Millennials are presented together with their relationship towards social networks. It is explained why this connection is relevant, focusing on the influence that social media have on Millennials' everyday activities, especially those related to information seeking. Secondly, the chapter explains how in the digital context marketing activities have changed in order to better reach consumers. It gives some definitions of digital and social media marketing highlighting their importance for companies and their effectiveness in the influence of Millennial customers.

### **2.1 Generations as market targets**

One-to-one marketing and mass customisation suggest new communication approaches for companies, however having larger market segments with general common characteristics allows businesses to invest in approaches of mass marketing which can exploit advantages of standardisation and still be very successful. When speaking of segmentation, age and generations are for sure two of the most used variables which allow marketing campaigns to exploit the similarities and common traits of the represented targets. (Debevec, Diamond, Madden and Schewe 2013.)

Generations can be larger or narrower, and this can lead to think that especially those people born near to the two different extremes of the group may be quite different from the others. Yet, generations have long been used as a market segmentation variable. What researchers and marketers suggest is that despite the difference in age, all those people have similar beliefs, values and attitudes that shape their behaviours and makes them possible to be grouped together. It is common notion that different generations think and behave in distinctive ways. (Berger 2018.)

There are of course other ways of grouping people that marketing organisations use to understand consumer behaviours. These are alternative ways of analysing the society that work perfectly as well (Berger 2018). But for the purpose of the study and for reasons of clarity and simplicity, in this thesis the segment of Millennials is considered as a whole, focusing on the entire generation.

## **2.2 The Millennial generation**

Millennials, or Generation Y, are the generational demographic group following Generation X and preceding Generation Z. They are also referred to as Echo Boomers, since they are usually children of Baby Boomers and their birth rate had a similar type of rise, although smaller, to the one of this latter generation (Bolton et al. 2013).

There are no precise dates regarding the starting and ending points of this generation, as there is always some uncertainty in defining an age group. Demographer and historian Neil Howe (2014) says “You can’t be sure where history will someday draw a cohort dividing line until a generation fully comes of age”.

A minority of scholars and researches sets the beginning of this group already in the late 1970s (Espinoza, Ukleja and Rusch 2016), but most studies consider the generation to begin in 1980 or later and end it in the late 1990s or in the year 2000 (Kol and Lissitsa 2016; Accenture 2017; Berger 2018). Then there is also a second minority of researches that define Millennials as the generation which goes till the new-borns of 2004 (Howe and Strauss 2009).

For purpose of simplicity, as already stated in the introduction chapter and according to Table 2, in this thesis Millennials are considered as the generation that goes from the year 1980 until the year 1999, comprehending people between the age of 19 and 38 in the current year of 2018.



**Table 2.** Generations according to Berger (2018: 7).

<i>Generation</i>	<i>Dates</i>
GI Generation	1901 – 1924
Silent Generation	1925 – 1945
Baby Boomers	1946 – 1964
Generation X	1965 – 1979
Millennials	1980 – 1999
Generation Z	Today's generation of 2000s

Regarding the birth rates, Millennials are the second largest age group after the Baby Boomers, but they are currently considered to be the largest living generation (Debevec, et al. 2013; Berger 2018). The world population of Millennials counts over 2 billion people, of which 99 million live in North America and 190 million in Europe (PopulationPyramid 2018) (Appendix 1), data that are expected to increase due to the immigration flows to the two continents. It's a generation of adults and, therefore, a generation of conscious consumer and buyers which need great attention by nowadays companies, given their high purchasing power, especially in the western countries.

Of course when speaking of such an extended age group we acknowledge that there have to be major differences in the behaviours and traits of elder Millennials and in those of younger Millennials. However we can state that all the western Millennials (or in general Millennials of the developed countries) have many similarities that allow to group them all together (Berger 2018). They have grown up in a time of rapid change,

giving them a view of the world quite different from what it was for the previous generations. The most important common aspect of all Millennials is the presence of technology in their everyday life. This generation has grown up with technology and the Internet, without even knowing or imaging the previous times in which technology was not available for everyone.

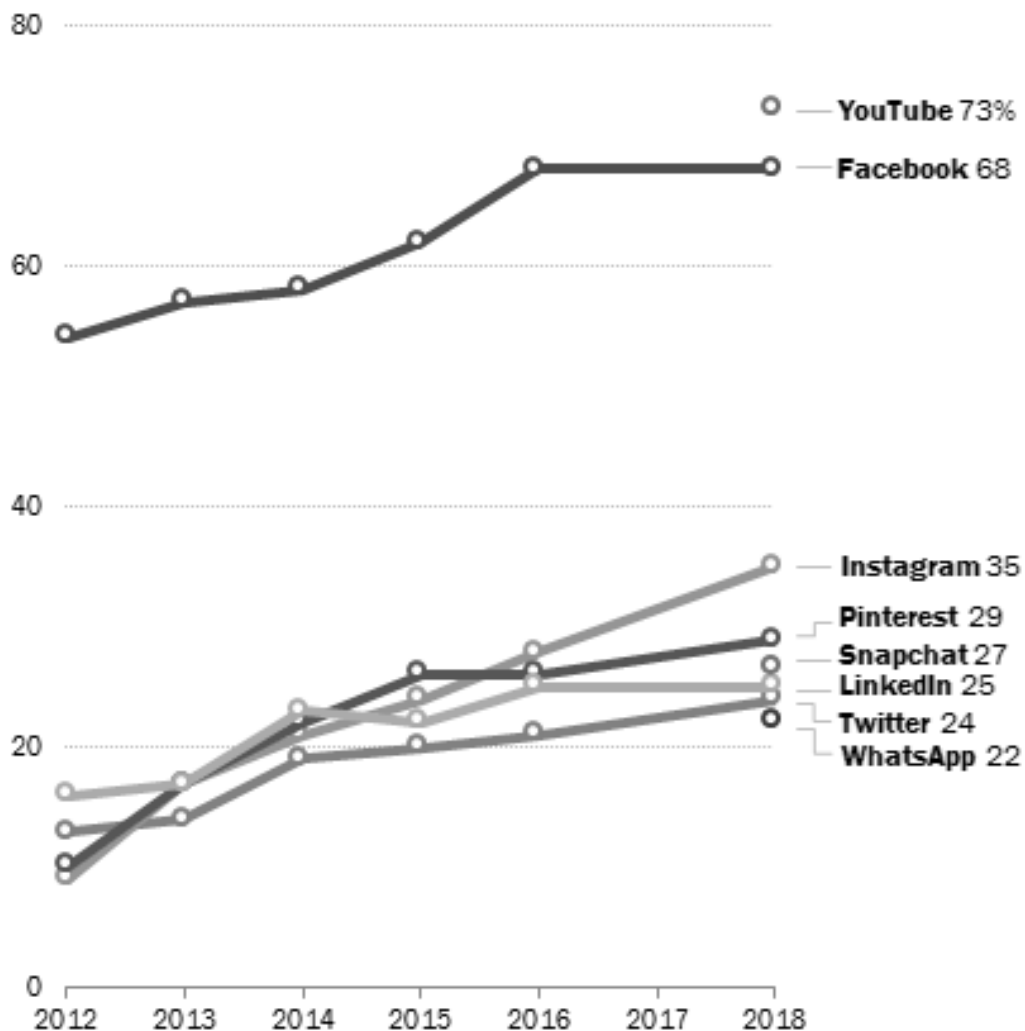
### **2.3 Millennials and social networks**

Millennials are also called Digital Natives: they were born and grew up in a fully digitalised environment. This early and frequent exposure to technology had advantages and disadvantages in terms of cognitive, emotional and social outcomes, making their acting and buying behaviours quite different from the preceding generations. Millennial consumers have always benefited from a large availability of customised products and services and they have access to a variety of information that were unimaginable by people growing up in previous years. (Bolton et al. 2013.)

The Millennial generation is characterised by a strong use of communication, which has changed completely around the mid-two-thousands thanks to the widespread of Web 2.0 and social networks. With the notion of Web 2.0, most scholars imply a different way of using Internet in respect to what was Web 1.0. Until the nineties, indeed, the main digital infrastructure diffused was the so-called Web 1.0, mostly made up of static websites and without great interaction possibilities between the users; it was mostly a tool through which browse written information, send or receive e-mails, and exploit search engines. Today Web 2.0 is perceived with a more social approach and is characterised by a strong concept of sharing: it is possible for users to interact and change the reported contents. (O'Reilly 2009; Fuchs 2017.)

The most relevant aspect of the Web 2.0 system is represented by the emerging of social networks. Social networks sites are web-based services which permit individual users to create an individual profile (which can be both public or private), build a connection to other selected users and interact with them by producing and sharing contents or simply

by communicating with each other (Boyd and Ellison 2008; Bolton et al. 2013). Although it is used the world “network”, many of these social networks were not necessarily born to enable participants to do networking. Often users are not looking to meet new people and use the sites to communicate with persons who are already part of their off-line networks. At the same time, they can share information with strangers without necessarily build a connection to them; this helps the spreads of word-of-mouth, speeding up the process and overthrowing time and space constrains (Boyd and Ellison 2008).



**Figure 2.** Young American adults’ social networks usage (Pew Research Centre 2018b).

With time the concept of social network has switched to be a social media. Social networks were not born to be media, but their nature of communication and information sharing has brought them to be conceived as such. Indeed in the literature it is difficult to find a well-defined differentiation between the two concepts and it seems that the two terms are used indiscriminately to describe the same thing: tools such as Facebook, Instagram, Twitter and many others. (Gentili 2012.)

As websites have become social media, it is clear that nowadays their main purpose is no more just the communication. They have become actual media to share information and opinion with the largest possible public. An example of this concept can be seen in the website Twitter, which was born with the main purpose of connecting people, but is nowadays mostly used to get and share news. Many are the network sites and their popularity is still growing among young adults (Figure 2).

Social media have existed from the birth of Generation Y, but they were widely adopted after 2003. Therefore, their usage has shaped especially the youngest members of the generation influencing their act of behaving under various different aspects. Millennials, as most of the other cohorts uses social media for information, leisure or entertainment. What distinguished them is their need to virtually interact with others. This has become one of the main reasons for Millennials' use of social media: users between the age of 19 till the age of 38 are more likely to prefer interactions on the web and they value others' opinions on social media providing they themselves feedbacks about all sorts of matters. (Bolton et al. 2013.)

Users share opinions and feedbacks about politics, culture, sports and so on. But they do often refer also to products and brands. They create a great flow of data that is at the basis of today's social media marketing.

## 2.4 Marketing and communication

In the past marketing has been described by several scholars, yet there is no perfect accordance on what should be its most fitting definition. Many experts explain it as a combination of various activities carried out in order to deliver the business' message about a product and create public awareness (Kotler 2014; Ahme, Ashfaq, Rafique, Waheed, and Yang 2017.).

To be clear in this chapter we will agree with AMA, the America Marketing Association, which defines marketing as the activity and set of processes for communicating, creating and delivering values for customer, partners and society. (Kotler 2014; Ahme et al. 2017.)

The aim of marketing is not just selling. Sales are only one of the measurements of a business' achievements, but they do not fully illustrate the firms' success. More important for companies is indeed to know the customers and understand their necessities. They need to be aware of what are the drivers in their customer's behaviour in order to offer the right product or service and create added value for them (Brady, Goodman, Hansen, Keller and Kotler 2016). Therefore, marketing is a tool whose aim is to create a relationship between the customer and the company. It is a tool that companies can use to recognise human needs and try to satisfy them, while at the same time having as ultimate goal the one of creating a lucrative businesses (Chen and Zhu 2015).

By satisfying consumers' requirements, a company creates value for them. Of course to succeed in this activity it is important to acknowledge the fact that different customers have different expectations, given their personality and the background they come from. Even when categorising the customers in larger groups such as the Millennials generation, managers must not forget about the individuality of people and select the best fitting targets, markets and channels to deliver their value proposition. This needs to be thought under every single aspect such as price, product or service characteristic and distribution, and only in the end the message will be ready to be

communicated to the selected cluster of consumers. Communication between businesses and customers is the key to value creation, especially in a digital environment where companies can co-create together with their targets. (Brady et al. 2016; Keller and Kotler 2016.)

## **2.5 Digital and social media marketing**

The digitalisation process itself refers to the conversion of analogous information of any form to a digital format, so that the information can be processed, stored, and transmitted through digital circuits, devices, and networks. Thus digitalising information makes it easier to store, access, process and especially share. (Ng and Wakenshaw 2017.)

Since more than twenty-five years by now, digitalisation has led to the commercial use of Internet and the World Wide Web. This carried along changes in the business landscape and set the rules for new business strategies. Corporations of today acknowledge the importance of being digitally present and create through internet a digital relationship with their customers. This is even more true when thinking of the transformation that digital technologies such as smartphones, Artificial Intelligence or Internet of Things have caused in consumers lives, which are now significantly different. (Hongshuang and Kannan 2017.)

In this environment of digitalisation companies understood that even their processes of marketing needed a transformation and started therefore using strategies of digital marketing. The term digital marketing in the past years used to describe just the marketing of products and services through digital channels. Nowadays it refers in general to all the processes in which digital technologies are exploited in order to acquire customers, promote products, create brand awareness and increase sales. According to the American Marketing Association, digital marketing is all the activities, institutions and processes supported by digital technologies that create, communicate and deliver value for customer. (Hongshuang and Kannan 2017.)

The overabundance of digital technologies had the advantage (or disadvantage, depending on the point of view) of reducing information asymmetries between customers and companies. As a result of the access to such a variety of technologies and devices, the behaviour of consumers has changed especially in the way they search and obtain information about products, brands and companies. Also for companies the digital environment has brought transformations. They have slowly integrated with their traditional means of communication such as print, radio, and television, also new means to reach customers and do now promote themselves via e-mails, display advertisement and, the most relevant for this thesis, social media. (Hongshuang and Kannan 2017.)

Nowadays more and more consumers, especially the youngest generations, communicate with a huge number of people regardless of distance, making information flow almost uncontrolled. This has all been possible thanks to social media which have become the online channels of communication among interconnected and independent networks (Solomon and Tuten 2017). Social media are one of the means business can choose to realise their digital marketing strategy. Therefore, social media marketing is not a synonym of digital marketing; it is just one of the many communication channels represented under the umbrella definition of digital marketing.

Currently there are about 3.77 billion global Internet users worldwide and most of them, representing roughly 37% of the world's population, are active on at least one social network (Solomon and Tuten 2017). It's easy to imagine that most of these people are the so-called digital natives, Millennials and Post-Millennials living in developed countries. The penetration of mobile internet users in 2018 is expected to be even higher, over 60% globally, with a majority of people using it to access social media on the go (Statista 2015). Those are great numbers that show the importance of the social media phenomena and the potential that it may have for businesses.

When speaking about classical marketing, the view of most scholars is that companies achieve their goals following a marketing mix that is made up of the so-called Four Ps: Product, Price, Promotion and Place. But in digital marketing, and especially social

media marketing, we have said to be very important the concept of value co-creation. That's why researchers in recent years have suggested to include in digital marketing a fifth dimension which is Participation. Social media indeed are not changing just the lives of consumers, but they are also transforming the way business need to carry out their activities. Thus, we can define social media marketing as the utilisation of social networks technologies, channels and software to create, communicate, deliver and share contents that have a value for any of the stakeholder of the firm. (Solomon and Tuten 2017.)

Businesses have slowly changed also their communication in the digital environment. In the past, when using traditional marketing channels the focus was on a one-way communication, just trying to deliver the proposition to the target. There were minimal opportunities of interaction or feedback between organisations and customers. Nowadays, instead, consumers have become more informed and got access to a huge amount of data about products and brands. Overall they have acquired a totally new awareness which is often untied to advertisements, and they have achieved a great empowerment through social media. Due to this changes, businesses have understood that they needed to target better their marketing activities, although in the beginning of the spread of social networks their communication continued to be mostly a mass-communication, largely impersonal. The disadvantage of this method is that the message is delivered to the whole audience without knowing if it is relevant or not for the receiver, nor if the receiver wants to be reached by that message at all. On the contrary, in social media marketing consumers have the possibility to interact and engage with brands; the focus of marketing has therefore shifted on an informal and more personalised one in which the customer has the power. (Solomon and Tuten 2017.)

Consumers are now in control of the market offering, they seem to have more power than the companies themselves. Over the years their power has grown thanks to digital tools and social media and they are now able to influence an organisation's activities. But if it's true that consumers use social media to influence brands, it is also true that the media themselves are influencing consumers; therefore successful social media



marketing strategies are those who directly or indirectly are able to influence the consumer's behaviour starting from social networks. (Askegaard et al. 2016; Brady et al. 2016).

## **2.6 Millennials' relationship with marketing**

This first chapter of the theoretical review explained to the reader the importance of Millennials as a market segment and their relevant relationship with social networks.

We have explained how this generation is right now the group with the highest purchasing power worldwide, and therefore of great interest for all companies. But to attract these type of consumers is not always easy because of the different stimuli they are used to. Millennials are digital natives, they are at ease with technology, they do trust it and give it an increasingly high importance. We are now speaking of the Internet in general, but the most characteristic aspect of the relationship between Millennials and Internet is their heavy use of social networks (as seen in Figure 2). Millennials do nowadays use social networks not just to communicate, but especially to find information, give opinions and co-create contents. (Bolton et al. 2013; Askegaard et al. 2016; Brady et al. 2016; Chaffey and Ellis-Chadvick 2016; Solomon and Tuten 2017; Berger 2018.)

The assumption underlying this thesis is that companies which have a great visibility on social media will benefit from it. Consumers might indeed get easily access to the information about the brand and feel a stronger desire for that exact product (Kotler 2014; Askegaard et al. 2016).

Therefore for companies it is vital to have a look on what happens on social networks. Even if they might not interact on them, they need to be aware of their customers' reactions on the websites. But the best strategy for a company is the one to exploit social networks and use them as media.

Companies don't need to abandon traditional means of doing marketing, but they need to be aware of the enormous possibilities that digital marketing offers and they need to learn how to use social media in order to affect in the best way their consumers' behaviour. (Askegaard et al. 2016; Solomon and Tuten 2017.)

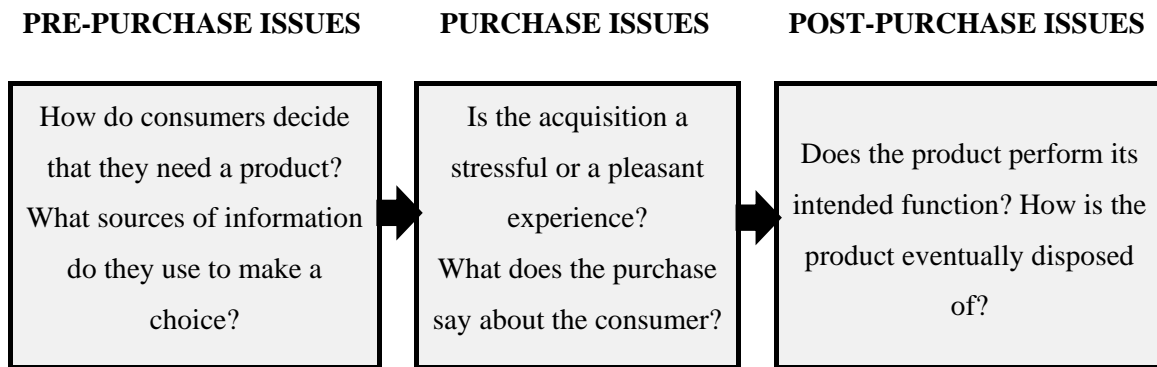
### **3. CONSUMER BEHAVIOUR**

This chapter is the second part of the theoretical framework. Its focus is on consumer behaviour. It initially concentrates on the aspect of perception, then it explains the purchase decision making process. It describes all the different stages of the buying process and it then also presents some less common alternatives. Lastly, in this chapter there is a summary of the whole theoretical framework which sums up the key points before moving to the empirical part of the study.

#### **3.1 The study of consumer behaviour**

Consumer behaviour is the study of how and why people purchase goods or services in order to satisfy their needs and wants. It can refer to individuals, groups or even entire cultures (Askegaard et al. 2016; Brady et al. 2016). In the past it was often just referred to as buyer behaviour, putting the emphasis on the moment of purchase. Nowadays, however, it is recognised that the consumer behaviour is a more complex and ongoing process that starts before the purchase and continues even after it. It is more than just buying goods, it also refers to the study of how these goods affect one's life (Askegaard et al. 2016; Solomon 2018).

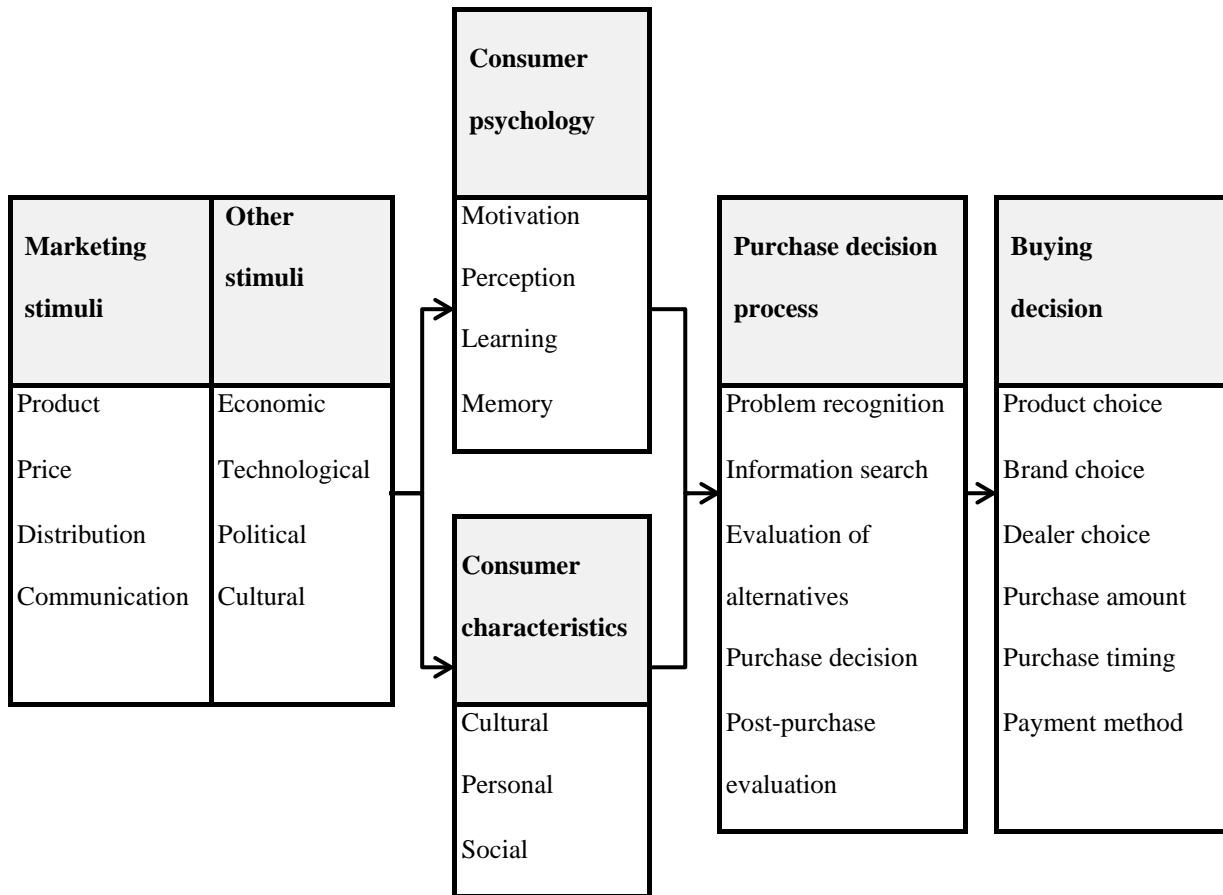
A consumer is usually a person who recognizes a need or a desire, makes a purchase and then uses the item or service during the three stages of the consumption process (Figure 3). But in reality, it is not necessary that all of these stages are carried out by the same individual. Many people can be involved during the different stages, indeed the purchaser and the final user may easily be different persons (e.g. parents that buy goods for their children). (Solomon 2018.)



**Figure 3.** The consumption process from a consumer's perspective (Askegaard et al. 2016: 7).

Consumer behaviour is usually quite similar within a selected market segment, as in the case of Millennials. Members of this group have indeed similarities in one or more characteristics and differ from members of other segments. At the same time, the whole group can be influenced by internal and external factors such as family structure, age, lifestyle and values, gender, social class and income, ethnicity and geography (Askegaard et al. 2016; Brady et al. 2016). While consumers are often grouped in market segments and every individual interacts with cultural and social settings, in the study of consumer behaviour the focus stays on the consumer him-/herself (Brady et al. 2016). It is a managerial-psychological study that takes into account the stimulus-response model through four key psychological processes: motivation, perception, learning and memory (Brady et al. 2016).

Marketing and environmental stimuli shape the consumer behaviour, but there are also a set of psychological processes that combined with the personal characteristics of the consumer result in the purchase decision process and the buying decisions (Figure 4) (Brady et al. 2016). In this thesis, as stated in the delimitations, we do not focus on the psychological aspects of consumer behaviour; we treat it just from a managerial point of view. However, we will explain more in depth the concept of perception which is the most relevant variable to the aim of this thesis.

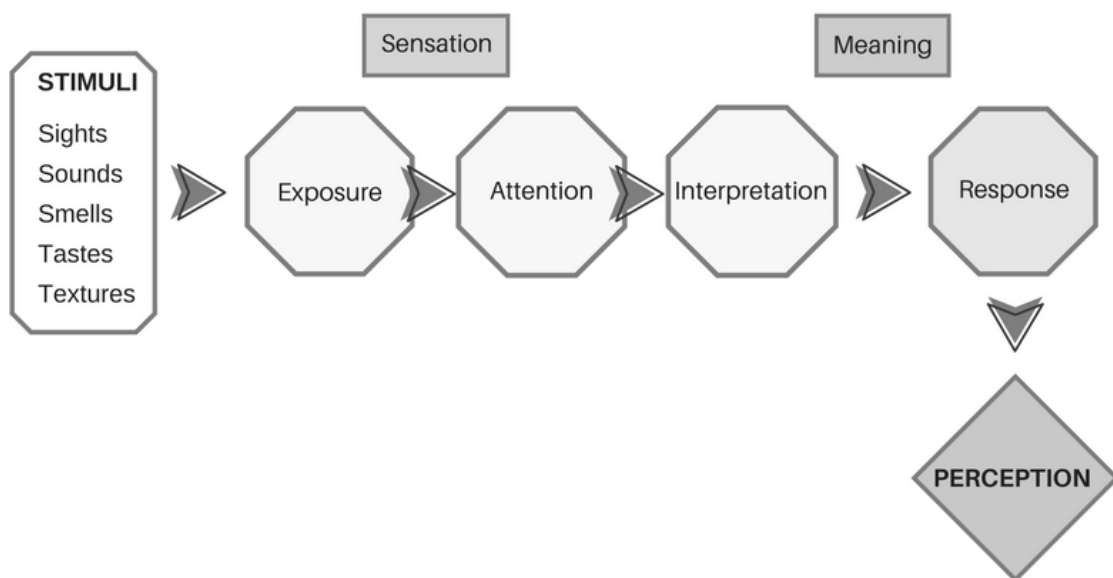


**Figure 4.** Model of consumer behaviour (Brady et al. 2016: 259).

### 3.2 The role of perception

The world we are living in exposes us every day to a variety of different sensations. Sensations are the immediate response of our sensory receptors (eyes, ears, nose, mouth, fingers, skin) to external stimuli; they are absorbed by consumers and used to interpret their surroundings (Askegaard et al. 2016; Solomon 2018). This creates different situation which can totally influence how a person behaves; it is all based on the individual perception of reality (Brady et al. 2016).

Perception is the process by which consumers select, organise and interpret the information coming from sensations, in order to have a broader understanding of any kind of context. Here the most important thing is what consumers add to the sensations to give them a meaning and create a perception (Askegaard et al. 2016; Brady et al. 2016; Solomon 2018). It depends not only on physical stimuli, but also on the stimuli's link with the external context and on our personal conditions. Indeed, each one of us will respond differently to the exactly the same situation (Brady et al. 2016).



**Figure 5.** The perceptual process (Askegaard et al. 2016: 126).

When people receive stimuli, they all treat the information by going through a process of three main stages: *exposure*, *attention* and *interpretation* (Figure 5). First of all, consumers get stimuli, but they are not able to notice every single one present in the environment, only those more outstanding. After that, they process the information on an individual basis and give to it an interpretation which is based on their unique experiences or needs (Askegaard et al. 2016; Solomon 2018).

The first stage of the perceptual process, the *exposure*, refers to the those stimuli that come into someone's sensory receptors range. Indeed consumers concentrate on particular stimuli and completely oversee the others (Solomon 2018). People are not capable to receive every type of stimuli. They have a sensory threshold, also called *absolute threshold*, that defines the lowest intensity of stimulus that can be captured: any stimuli which is below this threshold will not be noticed at all. Instead, the stimuli above this threshold can potentially be registered, but they need to attract our attention, they need to be above the *differential threshold*. This second threshold refers to the ability of our sensory system to notice differences between two distinct stimuli; they should have an intensity that is distinct form the context. (Askegaard et al. 2016; Solomon 2018.)

The second stage is the one of *attention*: the focus that people put on particular stimuli within their range of exposure. Often consumers are in a state of sensory overload, exposed to a quantity of information bigger than the ones they are able to process (Solomon 2018). Because of this condition, people will use just a *selective attention*: since they have limited mental resources, they tend to filter and exclude all of the stimuli that don't interest them. Marketers must therefore put a great effort in this phase, they need to create stimuli that will be received and also noticed (Brady et al. 2016). This attention can be both voluntary or involuntary, and it is influenced by both personal and external factors related to the stimuli. The personal factors we hereby refer to are consumers' perceptual vigilance, i.e. their awareness of stimuli that relate to personal needs and desires, consumers' perceptual defence, i.e. their capability to exclude information they don't want to get, and consumers' perceptual adaptation, i.e. the degree to which people stop to notice familiar stimuli. The stimulus factors are instead the characteristics of the stimuli which make them be above the differential threshold. They are size, colour, position and novelty, everything which creates a contrast within the surrounding (Askegaard et al. 2016; Solomon 2018).

In the third phase consumers *interpret* the meanings of the sensations they got from the previous two stages, associating them with their personal experience. Since every consumer is different, also their interpretations of the same stimuli will differ (Solomon 2018). This phase can also be described as a *selective distortion*, meaning the interpretation of information in a way that encounters the individual's preconceptions. Indeed people often distort the information coming from stimuli to make it fit with their prior experiences or beliefs about the brand and the product (Brady et al. 2016).

After the sensations have been noticed and interpreted, they are organised and stored in order to give a response to the initial stimuli. Marketers should work in order to position their brand exactly where they want it in the people's minds but they should also take into account the *selective retention* of consumers. Indeed, as said above, most people don't retain all the information they are exposed to, but they might remember those which support their beliefs and attitudes. Consumers are more likely to remember good aspects of the products they like and at the same time forget the good points about competitors' products. This selective retention therefore explains why marketers need to use repetition and make sure that their message is received and remembered. (Brady et al. 2016.)

When speaking of social media in relationship with perception, there are some studies which demonstrate the positive link between social media usage and the perception of brands or products (Huang, Hudson, Madden and Roth 2016). Most of these studies refer to the communication between brand and consumers online, and they all stress out the importance of both brand generated information and user generated information (Dabrowski and Schivinski 2016). The Web and social media are tools that nowadays contribute to the creation of the sensory overload state. In this environment consumers receive so many stimuli that they automatically tend to screen out most of them (Askegaard et al. 2016). It is therefore important to create an effective communication on social media which will make the consumer create a positive perception of the brand (Barreda, Bilgihan, Nusair and Okumus 2016).



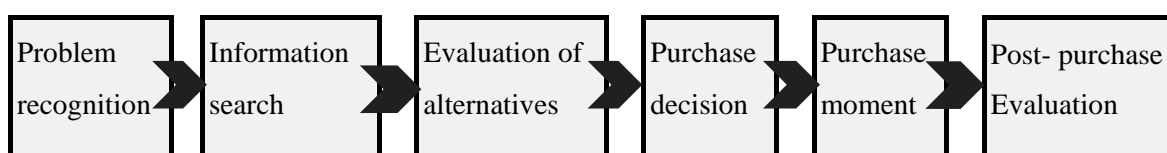
Marketers can use the media to reach their consumers everywhere and every time, knowing that the latter will get the stimuli through their mobile phone. Worldwide, the penetration of mobile phones is indeed of almost 100% (Huang et al. 2016). Consumers' can be easily reached through them by brands who decide to adapt their strategy to the digital world and put more effort in getting the customer's engagement through his or her social media attention. Through the web marketers can carry out a two-way communication, they can give customers informations and they can create a new bound with their consumers. When the relationship between brand and consumer becomes more loyal and positive, also the perception that the customer has of the brand itself becomes better. Consumers do indeed transform satisfaction in greater attachment to brands, perceiving them as better. (Huang et al. 2016.)

### **3.3 The purchase decision process**

One of the most relevant aspects in the study of consumer behaviour is to understand how consumers make their buying decisions. Companies usually try to fully understand their customers' purchase decision process in order to improve their sales (Solomon 2018). Millennials are in this section treated as any other consumer segment, although it is evident that young consumers are more open to innovative technologies and might therefore be important agents of change (Gbadamosi 2018).

The model of consumer buying process most widely accepted and used is the *five stages model*, which was first introduced by John Dewey in 1910 and later reviewed and slightly modified by many other researchers. This model implies that the consumer passes through five different stages: problem recognition, information search, evaluation of the alternatives, purchase decision and post-purchase behaviour. In reality, not everyone of us does always pass through all of these stages in buying a product or service. It may happen that some of the stages are skipped or even inverted. (Brady et al. 2016; Solomon 2018.)

Referring to online marketing, or social media marketing, the consumers do behave almost in the same way, but they have access to an even larger amount of data for their search of information and they might end up skipping or inverting stages more often. Some scholars do claim that there is a sixth stage in this process which is the purchase itself (Figure 6). The moment of the purchase, indeed, can occur long time after the purchase decision and could even differ from the choice which was made. It is also worthy to note that not all buying decision processes lead to an actual purchase (Rani 2014).



**Figure 6.** The six-stages model of the consumer buying process (Rani 2014; Brady et al 2016; Gbadamosi 2018; Solomon 2018).

### 3.3.1 Problem recognition

The first stage of the model refers to that moment in which a consumer experiences a problem or a need triggered by internal or external stimuli such as hunger, thirst or dissatisfaction of already owned goods. This problem rises the consumer's threshold and makes him aware of the solution that a marketed product could offer. It is in this phase that marketers can intervene by creating new problems and satisfy them at the same time. It is indeed easier to build marketing strategies when the triggering circumstances are perfectly identified. (Brady et al 2016; Solomon 2018.)

When referring to online behaviour and especially Millennial users, this phase becomes one of the most important stages for marketers. This is the stage in which through social media they can reach consumers, speak to them and create the awareness of a difference

between the ideal and the actual situation in which they are, i.e. to achieve a personal goal (Altinay, Brookes and Yeung 2016)

### 3.3.2 Information search

Once a consumer has recognised a problem, she or he will search for informations about how to resolve it (Solomon 2018). In the past, studies have shown that consumers were not really active in this stage, and that some of them may have even skipped it (Brady et al. 2016). But in recent years young consumers have become more aware of the tools they have at their disposal and thanks to the Web 2.0 they search for various informations online, especially on social media, where it is easy to find product reviews and opinions. Thanks to social media, also the amount of trust that consumers have towards the information has changed. Indeed, the relationship with the influencing person may be very close, making its opinion be more valuable than the one of a stranger person (Chen, Klaus, Nguyen and Wu 2015).

Not always consumers do directly search for information. When they recognise a need, they will automatically lower their threshold and be more susceptible to stimuli. Therefore, some consumers may be just engaged in a *heightened attention*, a phase in which the consumer simply becomes more receptive to any kind of information about a product. On another level, consumers may enter an *active information search*, directly looking for opinions, data or experiences, everything that could make him learn more about the product. (Brady et al. 2016)

When searching for information, consumer explore a number of different options on how to do it. These different ways are many and are usually categorised in internal and external. Internal search refers to memory, information that we recall based on our experience. But usually this prior information is integrated with data coming from the exterior, may it be our family's opinion, our friends' experience, online data, or even some advertisement (Solomon 2018). This happens also because we often reference to others, although it is shown that younger consumers, such as Millennials, do nowadays

rely more heavily on the internet and on their own opinion about data (Gbadamosi 2018).

Given the enormous amount of data available on the internet, often people use a cybermediary. Cybermediaries are websites or apps that help filter and organise online market information in order to identify and evaluate alternatives more efficiently. These are for example comparison-shopping sites, directories or portals, forums, fan clubs and user groups. They all help consumers sift through opinions. But the most common way to conduct research still remains the use of source engines like Google. (Askegaard et al. 2016.)

### 3.3.3 Evaluation of alternatives

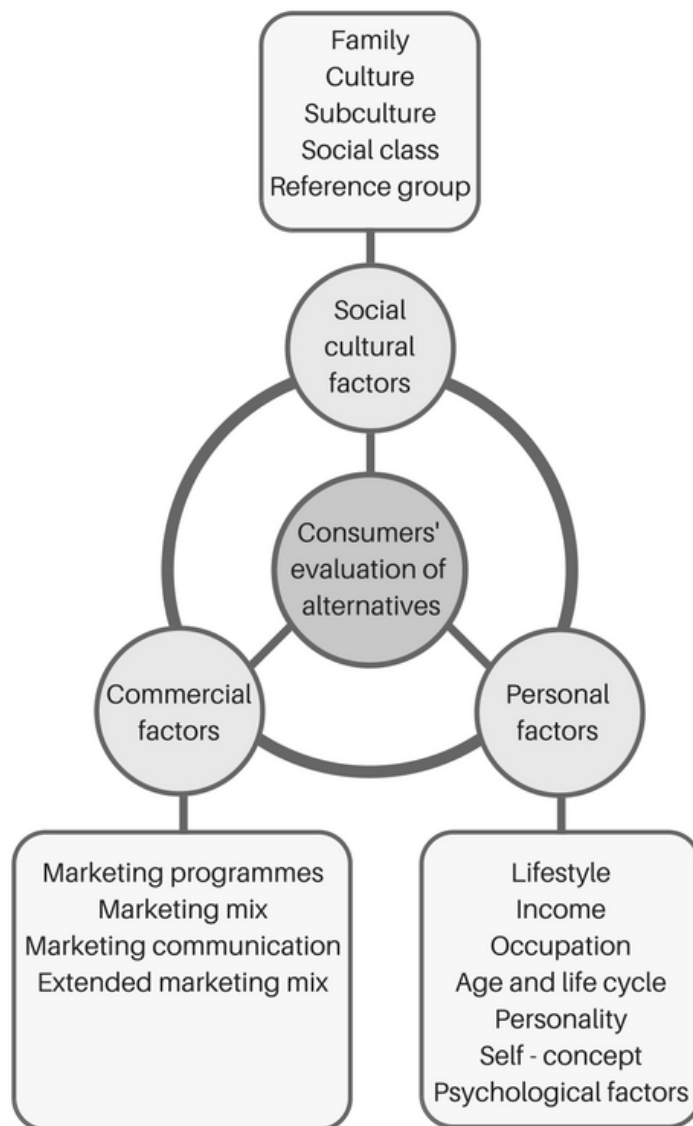
The third stage of the process is the elaboration of the different information gathered and the evaluation of the choices that can be made (Gbadamosi 2018).

Given the high amount of available data compared to the limited amount of resources, it is important for the consumer to make the ‘right’ choice. There are many *personal*, *social* and *commercial* criteria that can be used to do this evaluation, as for example price, quality, availability, suitability and many others. These factors play a key role in the choices of consumers, hence every consumer is easily influenced by its environment (Figure 7). (Gbadamosi 2018.)

The decision regarding which criteria is more important varies depending on the type of decision making process that is used: an habitual decision or a more careful extended problem-solving (Askegaard et al. 2016).

The alternatives a consumer is aware of are described as an *evoked set*, while the alternatives he or her actually considers are the *consideration set*. Indeed. There are always some alternatives which the consumer is aware of but that he does not consider buying, this is the *inept set*. For marketers it is therefore important to be able to place

products not only in the evoked set, but also and especially in the consideration set. (Askegaard et al. 2016.)



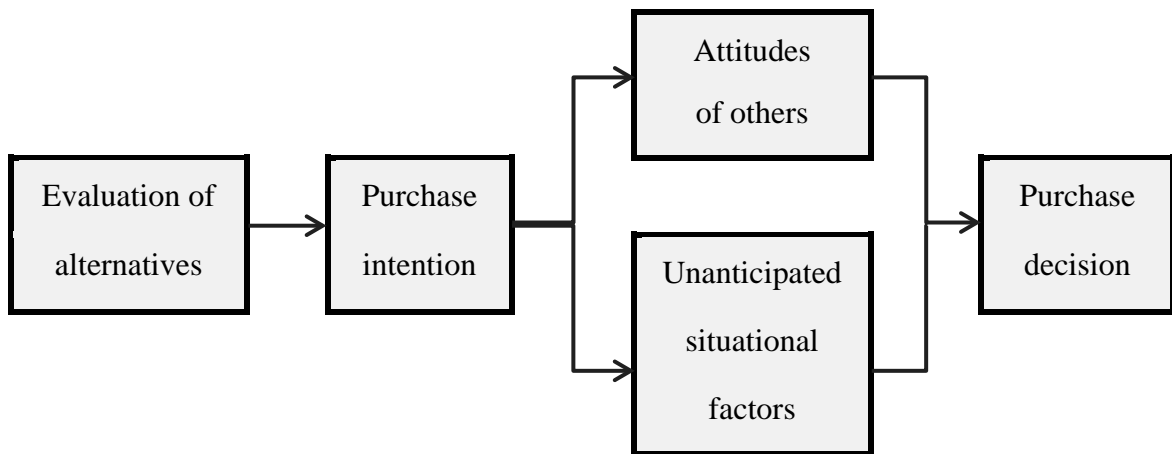
**Figure 7.** Consumers' evaluation of market offerings (Gbadamosi 2018: 13).

### 3.3.4 Purchase decision

During the stage of evaluation, the consumer forms some preferences among the products he is aware of. The usual intention is to buy the favourite one. But when making this decision, the consumer will at the same time make five different sub-

decision which regard brand, dealer, quantity, timing and payment method. Usually more than one choice rule is used (Figure 8) (Brady et al. 2016).

There are two additional factors that can influence the purchase decision. The first are the *attitudes of others*, meaning the extent to which someone else's opinion reduces or increases our preference for a specific alternative. The more this person is close to use and the higher will be his influencing power. The second factors are *unanticipated situational factors* that might change the initial purchase intention. Therefore, intentions and preferences are not completely reliable predictors of the purchase behaviour. (Brady et al. 2016.)



**Figure 8.** Steps between evaluation of alternatives and purchase decision (Brady et al. 2016: 305).

Related to the unanticipated situational factors is the perception that consumer has of risk. There are many types of perceived risks such as the *functional risk*, a product does not perform as expected, *physical risk*, a product that might be a threat to the user's health, *financial risk*, a product that is not worth the price, *social risk*, a product that does not conform to the consumer's self-image, and *time risk*, usually linked to some opportunity cost. (Brady et al. 2016.)

### 3.3.5 Purchase moment

As it was argued previously, most scholars do not consider the purchase as a separate stage; it is usually seen together with the buying decision stage, although to a first choice may never follow an actual purchase.

We live in an extremely fast changing environment, constantly harassed by information. A last-minute decision change is therefore not so uncommon. For marketers this phase is crucial. A consumer who has already made the decision of purchasing a good should also carry out and complete the process. Therefore it is important first of all the availability of the product and second a constant reminder of the motivations behind that first choice. ( Rani 2014.)

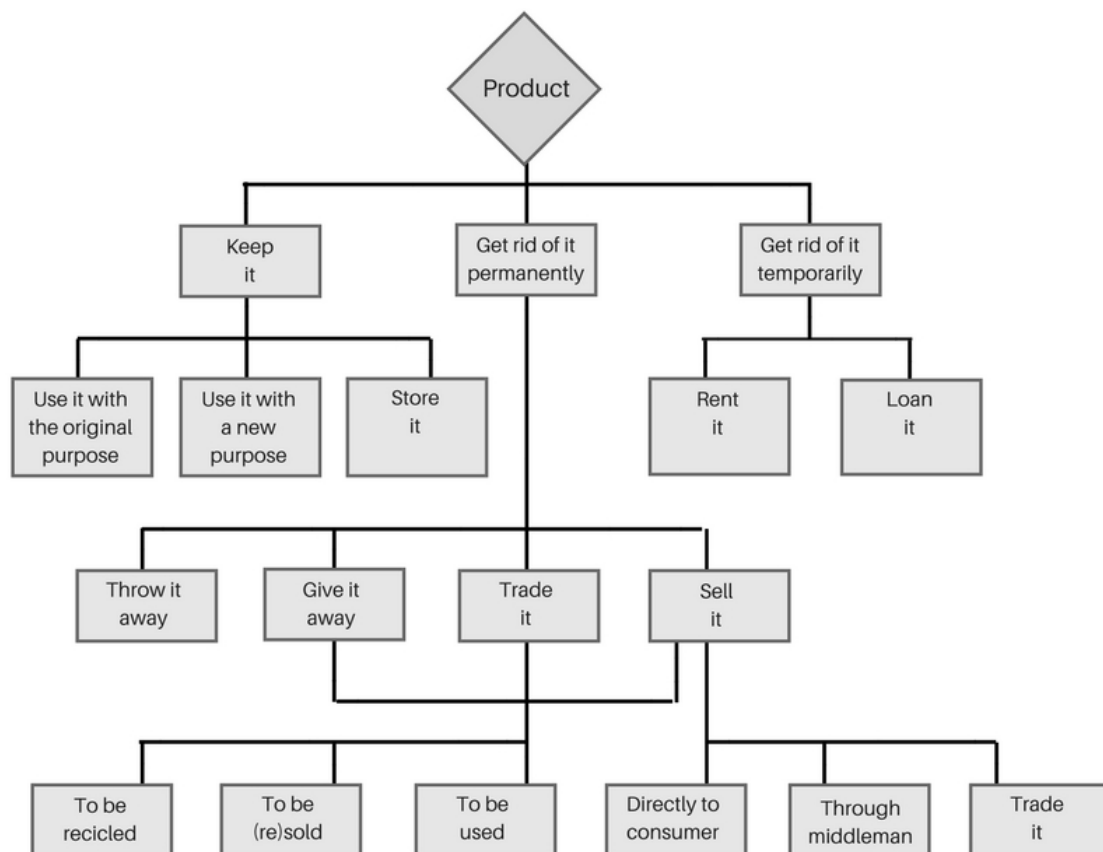
### 3.3.6 Post-purchase evaluation

The buying process does not end until the consumer has been able to compare the actual experience with the product with the previous expectations (Gbadamosi 2018). This happens in a post-purchase evaluation phase in which the consumer tests if he is happy or not with the made choice. Unlike the other stages that can be skipped or inverted, this one always closes the process (Solomon 2018). The marketers' job doesn't end here, they need to monitor the post-purchase satisfaction, post-purchase actions and post-purchase product uses (Brady et al. 2016).

The consumer satisfaction or dissatisfaction is the overall reaction he or she has to a product after buying and testing it. It plays a big role in the future behaviour, because it can influence the consumer's perception of the brand. For marketers it translates in a smaller or bigger effort to reach that consumer again in the future (Askegaard et al. 2016). For companies it is not encouraging to have a disappointed consumers, if their product falls short of expectation. They want to have satisfied consumers, with products that meet the expectations, or even delighted consumers, for whom the product does even exceed the expectations (Brady et al. 2016).

The post-purchase evaluation stage usually results in a number of actions, such as the repeated purchase of goods of the previous brand, a complaint about the service or even the involvement in online/offline word-of-mouth. Word-of-mouth is for sure one of the most relevant aspects that marketers should try to monitor, as it can considerably affect the sales. Among Millennials, very common is the use of e-word-of-mouth (e-WOM): it enables the spread of information about the experience of the use of the product through online communication tools such as social media. Marketers could try to follow this trend and, instead of creating for the Millennials, they should co-create with them. (Gbadamosi 2018.)

Finally, marketers should also consider the actual use that consumer do of their product, as this may be different from the intended one (Figure 9).



**Figure 9.** How customers use and dispose of products (Askegaard et al. 2016: 104).



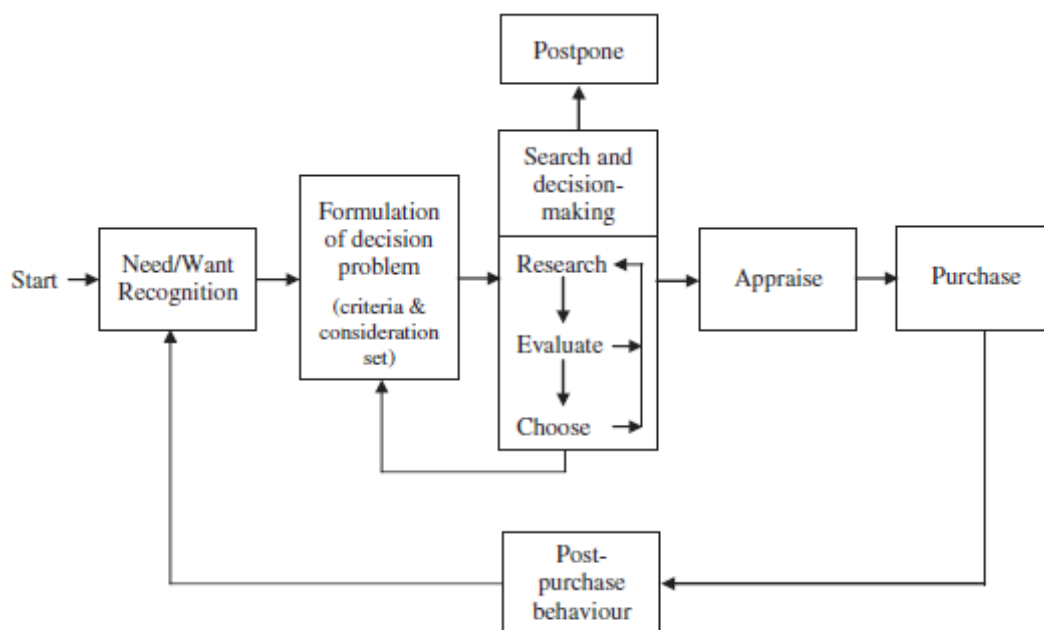
For example, a driver of sales frequency is the product consumption rate: the more quickly the product is consumed, the sooner buyers might purchase it back. A different perception of the product use may give an opportunity to increase the frequency. Apart from this case, there are many uses that a buyer can do with a good, which are different from just keeping it and using it as it is intended to be. Disappointed buyers may decide to give away the product, temporarily or permanently, by giving it a second life in the hands of someone else or just by tossing it away. Satisfied or delighted consumers instead will keep the product but might end up storing it or using it in a way that was not originally thought of. (Askegaard et al. 2016.)

### **3.4 Alternative models of purchase decision making**

The model explained in the previous paragraphs can be referred to as the ‘classic’ purchase behaviour model, appreciated and used by most scholars. It is a linear model that illustrates the process of buying decision, dividing it into its main stages (Holland, Karimi and Papamichail 2015; Solomon 2018). It is used as a standard model in consumer behaviour research and online consumer research, but in reality decision makers don’t act in a so linear way: often they skip steps or do not follow all the stages. Especially the online purchase decision model is highly dynamic and flexible. The process is indeed adapted to the needs and the demands of each individual (Holland et al. 2015).

An idea of how the six stages model might actually work, seen as a nonlinear process, is given us by Holland et al. (2015) which have put together a new type of consumer decision making model. Their model supports the idea of a dynamic and constructive process and includes a comprehensive set of stages which are linked in a continuous way (Figure 10). In their study the authors focus on decision making style and product knowledge in the context of online consumer behaviour. The first style they analyse is the one of maximisers: consumers who always seek for the best possible result. These are people who search for a large amount of information and perform an exhaustive search of all the available alternatives before deciding; they usually go back and forth

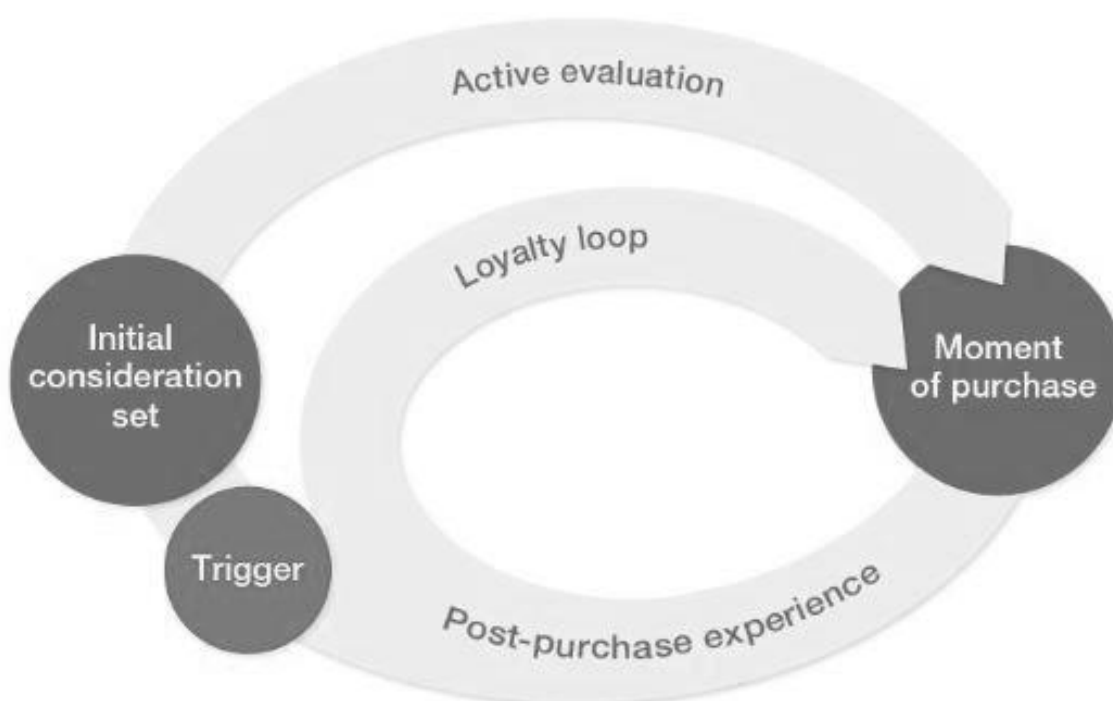
between choices and make a lot of comparisons. Therefore maximisers engage in a longer-time decision process with a high number of cycles. The second style analysed in the study is the one of satisficers: consumers who opt for a good enough choice which meets just some of the needed criteria. These people don't try to reach the optimal outcome and just search for good alternatives. Therefore they have a shorter-time decision process and a smaller number of cycles. (Holland et al. 2015.)



**Figure 10.** Non-linear consumer purchase decision framework by Holland et al. (2015: 138).

Moving even more far away from the 'classical' stages model, there are other types of frameworks that are nowadays used in the digital marketing environment. One of these is for example the *McKinsey consumer decision journey*, a model that believes the process of purchase to be circular. This framework describes the decision making process as a journey in which the shoppers take advantage of technology to evaluate products, adding and removing choices over time. It includes a feedback loop, where customers keep evaluating products and services after purchase, pressuring companies to deliver a superior experience (Edelman and Singer 2015).

According to this model, the consumer initiates his or her journey by evaluating a set of different products and brands, which can enter or exit the consideration set at any point of the journey. This is done through an active evaluation that lasts until the moment of purchase, when at the end the consumer selects a product and a brand. After the purchase initiates the post-purchase phase which through the right trigger could bring the consumer to become loyal; alternatively, the consumer will return to the initial phase and start again the cycle in order to find a better product or brand (Figure 11) (Elzinga and Finneman 2017).



**Figure 11.** McKinsey's consumer decision journey (Elzinga and Finneman 2017).

Whichever model wants to be considered, marketers need to understand the behaviour of their consumers and, especially for the segment of Millennials, they need to do it through the channels they use the most: social media. It is important for companies to be present in all the moments of a consumer's buying process, from when he recognises

a need till when he finally tests the purchased good or service (Brady 2016; Solomon 2018).

### **3.5 Millennials behaviour on social networks**

The theoretical framework of this thesis was conducted by reviewing pre-existing literature and models, in order to set the foundations for the subsequent empirical part.

In Chapter 2 the market segment that the study has decided to consider was presented as the generation of young adults between 19 and 38 years (Berger 2018). This generation, often referred to as Millennials, is characterised by a high affinity with technology and is therefore a great user of Web 2.0 applications such as social networks (Boyd and Ellison 2008; Bolton et al. 2013). This latter aspect has carried along major changes in the behaviours of Millennial consumers, bringing them to act differently from the previous generations. Millennials do search for more data and create they themselves information interfering with the standard marketing activities (Askegaard et al. 2016).

In this fast changing world, where everyone participates to the others' knowledge, for companies it is increasingly important to develop successful digital marketing strategies and one smart way to do it is through the channels of social media. Indeed, social media marketing enables a company to interact more easily with their customers, to understand their needs and to co-create added value (Brady et al. 2016; Dabrowski and Schivinski 2016; Solomon 2018).

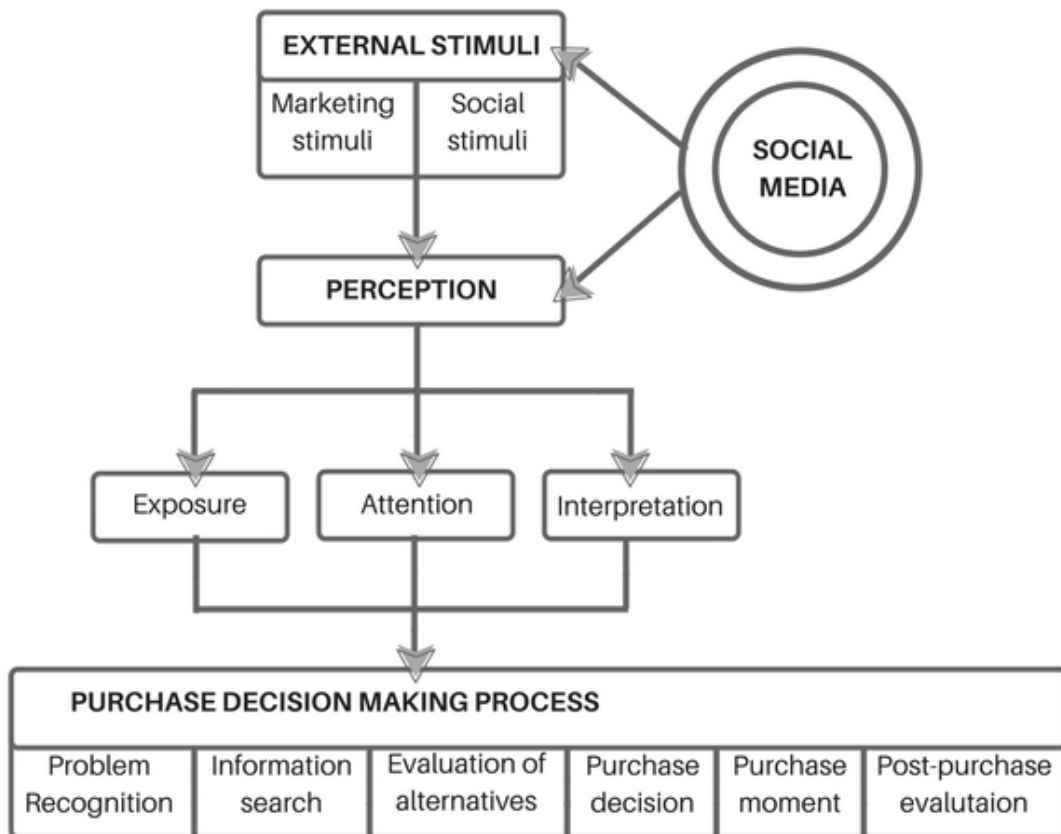
Chapter 3 focused on the consumer behaviour, as this is a crucial aspect that companies need to understand in order to deliver the best products to their clients (Askegaard et al. 2016; Brady et al. 2016; Solomon 2018). Consumer behaviour is a broad study that includes the purchase decision making process, which we have seen can be described through many different models. The model that was chosen for this study is the linear six stages framework which sees the consumer journey as a process that goes from the initial need recognition to the final purchase and its testing (Brady et al. 2016; Rani 2014; Gbadamosi 2018; Solomon 2018). It is during all these stages that consumers can

be influenced by internal or external stimuli such as triggers coming from social media (Askegaard et al. 2016). Although we have said the model to be linear, we are aware of the irregularity of the transfer from one phase to the other (Holland et al. 2015; Askegaard et al. 2016).

Another aspect of the consumer behaviour that we value to be very important, especially in the social media context, is the one of perception. Perception is a psychological variable that can bring great influence in the behaviour and therefore in the purchase decisions of consumers (Askegaard et al. 2016; Brady et al. 2016; Dabrowsky and Schivinski 2016; Huang et al. 2016; Solomon 2018).

Figure 12 shows the theoretical framework created for this thesis' empirical research, putting the focus on the consumer behavioural facets which are more relevant to our study.

Consumer behaviour is a process that starts with the recognition of some external stimuli, both of marketing or social nature (Brady et al. 2016). It is very easy to find stimuli online and especially on social media. Companies indeed use the media to communicate, but there are also a lot of user-generated contents which bring the consumers to be in a sensory overload state, surrounded by so many information that they are not able to process them all (Brady et al. 2016; Solomon 2018). All the sensations that are associated to the stimuli bring the consumer to formulate his or her own perception of a product or brand, which again can be easily influenced by social media and online information. Social media can bring variations especially in the phase of interpretation, when consumers apply a distortion of the reality based on their experiences or information gathered online (Askegaard et al. 2016; Huang et al. 2016; Dobrowski and Schivinski 2016; Solomon 2018). Finally, when the consumers have formulated a perception about a product, they might decide to use it to satisfy their needs and therefore make a purchase. During the six stages of the purchase decision process, social media influence is still relevant (Rani 2014; Solomon 2018). But in which stages it is more relevant is until now not studied and will be the object of the following empirical chapter of this thesis.



**Figure 12.** Theoretical framework for the master thesis study.

In the following empirical study of this paper, the thesis links the effect that social media and social media activities have on consumers which are involved in the six stages of the purchase decision making process.

The watches and the footwear industry sectors are the main frameworks for the empirical testing, but it is considered also the market in general. The study focuses first of all on the effects that social media have on the international consumer group of Millennials in online and off-line purchases of all types of markets, without making distinctions. Only in a second moment the thesis deepens the information gathered on the general markets by applying it in the two defined sectors. Indeed social media tend to have no barriers and reach everyone especially on topics that are proven, through big data, to be interesting for the considered consumer (Brady et al. 2016).

## **4. RESEARCH METHODOLOGY**

This chapter explains the method used for the master's thesis research. It describes the research philosophy and approach, the overall research design, the data collection techniques, the used sample and the two methods of analysis. The final aim of the chapter is to achieve the goals presented by the research objectives. It is then presented a discussion about the reliability and validity of the data, highlighting the trustworthiness of the research.

### **4.1 Research philosophy and research approach**

Research philosophy is a system of beliefs and assumptions about the development of knowledge, meaning how the research will be conducted and under which type of view. Although this process might be completely unconscious, at every stage of a research many types of assumption can be done. These assumptions will inevitably shape one's understanding of his or her research questions and objectives, the methods chosen to be used and the interpretation of data. (Saunders, Lewis and Thornhill 2016: 124 – 125.)

The main types of assumptions that can be done are three: ontological, epistemological and axiological. Ontological assumptions are about the realities encountered in the research and their nature. It determines how the world is seen and therefore also how the objective of the research is chosen and observed. Epistemological assumptions are about human knowledge, what is considered acceptable, valid and legitimate, and also how this knowledge is communicated. Finally, axiological assumptions are about one's own values and beliefs capable of interfering with the research process and influence its development. (Saunders et al. 2016: 127 – 128)

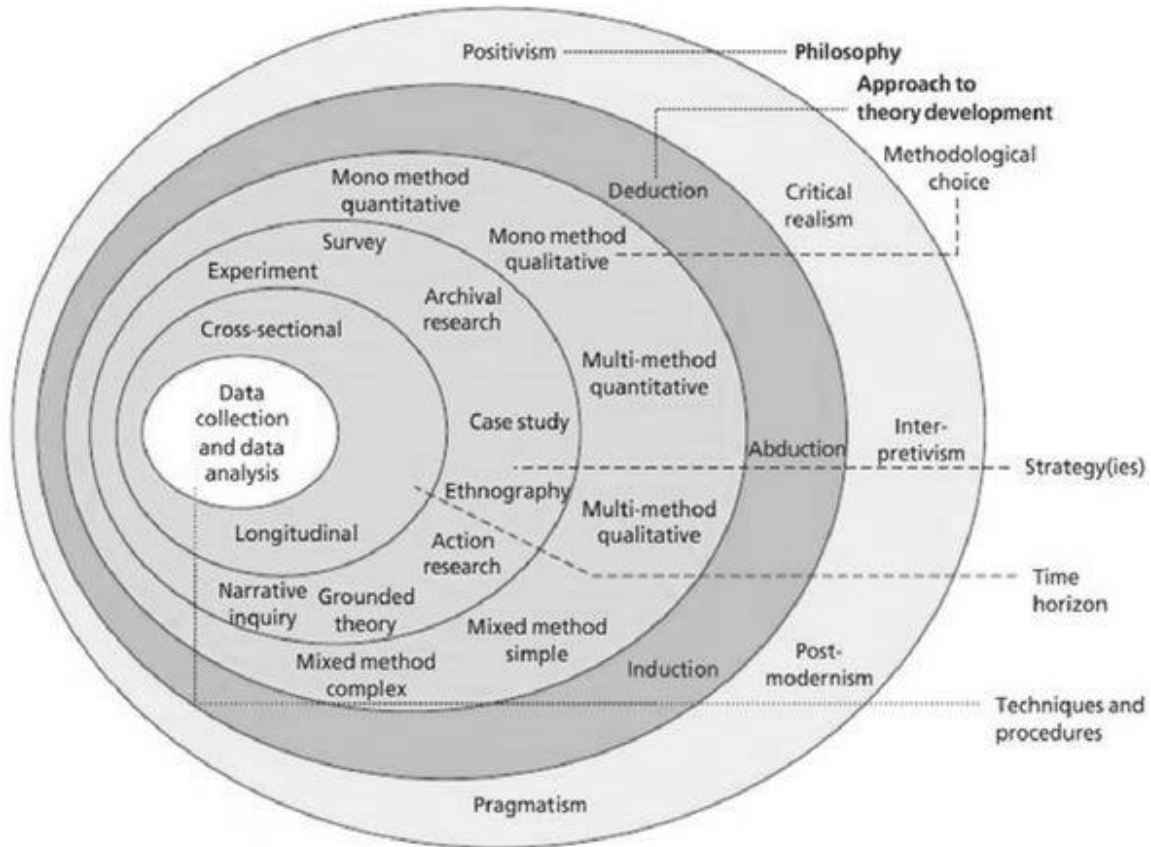
Assumptions usually lie in between of two extreme positions that are subjectivism and objectivism. Subjectivism incorporates assumptions that refer to social reality as something made from the perceptions and consequent actions of people (also described

as social actors). Objectivism refers to those assumptions that embrace realism, considering social entities to be like physical entities of the natural world, not influenced by interpretations and experiences. These assumptions imply that there is only one true social reality experienced by all social actors (Saunders et al. 2016: 128 – 130).

The major philosophies under which a research can be conducted are five. As it can be seen in Figure 13, they are positivism, critical realism, interpretivism, postmodernism and pragmatism. Positivism relates to the production of law-like generalisations of an observable social reality. It creates universal rules that help explaining and predicting behaviours and events. Critical realism focuses on explaining what is seen and experienced. It believes that reality is external and independent, but not directly accessible through observations. Interpretivism emphasises the human difference and their creation of meaning. These meanings are the subject of the interpretivists' studies. Final purpose is to create new, richer understandings and interpretations of social worlds and contexts. Postmodernism emphasises the role of power relations and language, giving importance to alternative marginalised views. It believes in the deconstruction of any form of data. Lastly, pragmatism affirms that concepts are only relevant if they support an action. (Saunders et al. 2016: 135 – 143.)

Following the choice of research philosophy, two contrasting approaches can be adopted in the reasoning: deductive or inductive. Under a deductive approach, the research starts with a set of theoretical premises and derives from there some conclusions. Under an inductive approach, the research starts with the collection of data to explore a phenomenon on which theoretical knowledge will subsequently be built. There is also the possibility to adopt a mixed approach, called abductive. Under this approach the research has a continuous change of focus between data collection and analysis, and the creation of a theoretical framework. (Saunders et al. 2016: 144 – 150.)





**Figure 13.** Research onion (Saunders et al. 2016: 124).

It is difficult to completely fit one researcher's philosophy into one of the previous categories, since those can be seen as clusters more than proper segmentations. They are very flexible and it is true that one research may be conducted under different types of assumptions (Saunders et al. 2016). However, for purposes of clarity, we can say that this master's thesis research follows principally an *interpretative research philosophy*. This way, the study tries to take account of the world's complexity and the diversity of social actors. It wants to collect what is believed to be meaningful (Saunders et al. 2016: 141).

The approach followed in this master's thesis is *deductive*, as it was already mentioned in the introduction chapter. It is the most appropriate for the study because it involves the development of a theory and its testing (Saunders et al. 2016: 146). By using it, the paper firstly focused on presenting a good theoretical background which gave the basis of explanation of different matters such as the generation of Millennials, social media

marketing and consumer behaviour, allowing an anticipation of phenomena that might be seen in the following theoretical part. Indeed, in a second moment the concepts presented in the theory are analysed and controlled in relationship with empirical data collected for the study (Saunders et al. 2016: 146). Because of the nature of this research, the literature is not only tested; the study tries to analyse it and redefine it in a more flexible way, which will be in accordance with the outcomes of the empirical testing (Eriksson and Kovalainen 2016).

## 4.2 Research design

Research design is the general plan of how the study will be developed in order to answer its initial research questions. It is about the methodological choice, the research strategy and the time horizon, as portrayed in the inner levels of the research onion of Figure 13.

For what regards the methodological choice, three are the main available options: qualitative methods, quantitative methods and mixed methods. Quantitative research is usually referred to any data collection technique that uses numeric data, while qualitative research refers to those data collection techniques which use non-numerical data (Saunders et al. 2016: 163 – 166).

The research strategy is the actual plan of how objectives will be achieved and it follows really closely the research method. It is necessarily associated with qualitative, quantitative and mixed methods. Of course the strategies can be many, examples of them are experiments and surveys (principally linked with qualitative research design), case studies (often linked to mixed methods), interviews and ethnography (principally linked to qualitative research designs). (Saunders et al. 2016: 163 – 166.)

The choice of this thesis is a *mixed method*, it is both a qualitative and a quantitative study: it provides the understanding of contemporary social phenomena, such as consumer behaviour, which have unclear boundaries and cannot be completely

controlled by marketers (Yin 2014; Saunders et al. 2016). This method is especially helpful in social sciences and business topics which regard consumers' mentality and susceptibility, such it is for our analysis of the buying process and the perceptual influence (Yin 2014). The thesis firstly proceeds through a quantitative method to gather a high number of data in short time, and it then deepens the collected information through a smaller number of interviews which provide qualitative knowledge. Moreover, the method has been chosen in accordance with the investigated research question. Indeed, the focus will be on understanding how the sample of consumers behave, i.e. how the case works.

Research can be designed to follow an explanatory, descriptive, exploratory or evaluative purpose. This purpose can change over time and it refers to the way the research question is asked (Saunders et al. 2016: 174). This thesis has an *explanatory purpose*, with the aim of establishing casual relationships between the variables of social media influence and consumer behaviour. It can be seen in the type of design useful to clarify ambiguous issues and explaining why and how the situations take place. This illustrates the connections between the different data which are collected and analysed through the study (Saunders et al. 2016: 176).

Finally, the time horizon for this study will have a *cross-sectional design*: it will be the examination of a phenomena at a precise moment of time. The motivation behind this choice is a time constrain. To use a longitudinal horizon would indeed provide a more in depth view of the topic, comparing the answers of consumers in different periods of their life and in diverse contexts. Nonetheless, the cross-sectional approach is widely used in master's thesis and is suitable for the research question that has been chosen. (Saunders et al. 2016: 200.)

### **4.3 Data collection techniques and sample**

The already mentioned method of data collection has both a quantitative and a qualitative nature. The first refers to the use of numerical data and their analysis

through software that are able to show connections between the information. The second is related to the use of non-numerical procedures to analyse the obtained results (Saunders et al. 2016). A qualitative approach is indicated to research consumer's behaviour, especially in marketing topics, but a quantitative method will initially simplify the process and provide with a greater amount of data and information (Eriksson and Kovalainen 2016).

The research is mainly based on primary data, which were collected by the researcher through direct communication with consumers, above all those highly active on social media. Further secondary data were used to deepen the knowledge on the field, especially regarding the watches and footwear sectors . These were coming from business journals, theoretical books and electronic papers. Also blogs and social media were consulted especially for what regards the two specific sectors of watches and footwear.

#### 4.3.1 Quantitative data collection

Primary data collection was based in a first moment on a questionnaire, able to gain a large number of data but without going too in depth with the testing of theory. This type of research, defined a survey strategy, is one of the most widely used data collection methods in which every respondent is asked to answer the same set of questions. It therefore provides an efficient way of collecting responses from a large sample in a reduced time frame and at a low cost (Saunders et al. 2016: 436 – 439). The advantage of surveys is their possibility to standardise data and easily compare it. They can discover hidden relationships between variables and create models which give reasons and explanations (Saunders et al. 2016: 437).

The questionnaire was created through Google Forms and initially pilot tested with consumers similar to those who would actually complete the survey. It was then posted online on the social network platforms Facebook, LinkedIn and Instagram. When sharing the questionnaire it was explicitly asked to participate only to those people

born between the years 1980 and 1999. No other restrictions were made. It was asked Millennials of all over the world to participate in it on a voluntary basis; it was anonymous, but people could also leave their e-mail to be contacted for the further qualitative interviews.

It was an informal type of questionnaire since it was directed to young consumers, and its goal was to be brief and concise in order to last less time as possible. With long questionnaires indeed there is always the risk to lose the attention of the participant (Saunders et al. 2016: 447 – 457). Questions were mostly general and not focused too in depth on the specific industries of footwear and watches because of time constraints and effectiveness of the quantitative tool. Therefore, most questions regarded the consumer behaviour in general on social networks. The first part of the questionnaire asked for some personal detail about the participants in order to better frame their responses. The second part referred to the psychological consumer aspect of perception. Finally the last part of the questionnaire tried to identify during which stages of the buying process Millennial consumer are influenced the most by social media (Appendix 2).

#### 4.3.2 Qualitative data collection

To integrate the quantitative data, in a second moment eight semi-structured interviews were conducted in order to explore some of the topics of major interest which came out from the questionnaire. These interviews were conducted between the 5<sup>th</sup> and the 12<sup>th</sup> of March 2018 and were all face-to-face, partially in person and partially via Skype, given the international characteristic of the sample and the issue of distance. The interviews had a length of approximately 30 minutes each and tried to evaluate the influence of social media on both the perception of brands and products, and on the purchase decision process. In the interviews greater interest was given to the sectors of footwear and watches (Appendix 3).

The advantage of using qualitative data is that they are able to give rich and exhaustive information about the reasons why consumers might behave in a way instead of another (Saunders et al. 2016: 165 – 166). Moreover research interviews can help gathering valid and reliable data which help refine previous ideas previously formulated through the research questions and objectives (Saunders et al. 2016: 388 – 389).

There are many types of research interviews such as structured interviews, semi-structured interviews, in depth interviews and others. Semi-structured interviews have been chosen because of their ‘non-standardised’ dimension and because they give the possibility to explore the research questions and objectives of this particular master thesis, which has already been described as explanatory. (Saunders et al. 2016: 390 – 391).

Semi-structured interviews consist in a list of key questions and themes which want to be covered, but they also give the researcher great flexibility in following the flow of the conversation and ‘probe’ specific answers. They are a valid tool to gather information about a large number of topics and questions that might be complex or open ended (Saunders et al. 2016: 394). Moreover, they give the researcher the possibility to enter other fields of knowledge which might not have been thought of beforehand, but that have emerged during the conversation. Indeed these interviews give consumers the possibility to reflect about their behaviour and their actions and provide personal opinions on the topics analysed in the presented study (Saunders et al. 2016: 395 – 396).

Most interviews were conducted in English, except for two of them which were conducted in Italian and subsequently translated asking the respondents if they agreed with the translation. All of the conversations were moreover recorded and transcribed after a second listening.

### 4.3.3 Sample of the research

A survey strategy gives the possibility to sample, i.e. to take a sub-set of the whole population (a statistical population) and to generate findings which can be generalised to represent the entire population (Saunders et al. 2016: 165 – 167). Also the qualitative method of interviews makes reference to the sampling technique, i.e. it researches for more in depth information which is assumed to be similar among similar categories of consumers (Saunders et al. 2016: 168 – 172).

For the survey strategy of this thesis it was collected a sample of 316 voluntary consumers with different nationality, gender, occupation, educational level and age (albeit between 19 and 38). Common characteristics to all respondents were their usage of social networks and the belonging to the Millennial generation (Table 3).

Although the ages of the respondents were different, probably due to the composition of the researcher's network, 76,6% of the respondents were born between 1990 and 1994, a smaller 13,3% of respondents reflected the youngest Millennials born between 1995 and 1999, and only 10,1% of the statistical population declared to be born before or in the year 1989. The variable of gender was instead more balanced with 64,6% of the respondents being female and 35,4% male. Regarding the occupation, 43% of the consumers indicated to be just students and 44,3% declared to be currently working, while the two more common educational levels resulted to be bachelor degree with 41,1% and master degree with 44,9%.

Millennials are international and therefore the intend of this questionnaire was to be spread among as much countries as possible, while still considering the limitation of the first chapter about the western mentality. Overall 94,9% of the respondents declared to be European and also the ones coming from somewhere else stated that they had lived in Europe for at least one year. Therefore we can assume that a strong European culture was present among the respondents of the questionnaire and that this overall and general aspect has somehow influenced the answers which, for example,

might have been quite different in the case many Americans would have taken the survey (Askegaard et al. 2016).

**Table 3.** Demographics of the quantitative research sample.

<i>Variable</i>	<i>Percentage</i>
Gender	64,6% female; 35,4% male
Age	76,6% 1990 – 1994; 13,3% 1995 – 1999; 5,7% 1985 – 1989; 4,4% 1980 – 1984 4,4%
Occupation	43% students; 22,8% students and workers; 21,5% employed full-time; 7% unemployed looking for a job; 3,8% employed part-time; 1,9% unemployed not looking for a job
Highest educational level	44,9% master degree; 41,1% bachelor degree; 12% high school; 1,3% doctorate; 0,6% less than high school
Nationality	94,9% European; 1,9% Latin America; 1,9% other (Uganda, Vietnam, Russia, Turkey, Israel); 0,6% North America, 0,6% Australia



The qualitative data collected through interviews comes from eight consumers among those who voluntarily proposed to deepen their previous responses of the questionnaire. People who had left their contact, making themselves available for the interview, where in a first moment contacted to prove their knowledge on the footwear and watches sector. Subsequently only eight of the most interesting cases were chosen, since (due to a time constrain) this seemed to be the right number able to show enough differences between various consumer behaviours (Table 4).

**Table 4.** Interviewed sample.

<i>Interviewed</i>	<i>Gender</i>	<i>Nationality</i>	<i>Reaction to social media advertisement</i>	<i>Engagement with brands on social networks</i>
A	Female	German	Positive	High
B	Female	Finnish	Neutral	High
C	Female	French	Negative	Low
D	Female	Italian	Negative	High
E	Male	German	Negative	Low
F	Male	Polish	Neutral	Low
G	Male	Italian	Positive	High
H	Male	Spanish	Positive	Low

As seen from Table 4, in selecting these eight people priority was not given to the demographic factors but to the characteristics shaping the consumer behaviour. Therefore, four males and four females coming from six different European countries (Italy, France, Germany, Spain, Finland and Poland) were chosen based on their good knowledge of the two market segments (footwear and watches), on their different reaction to social media advertisement and on their engagement in contacting brands through the networks. No greater importance was given to their age since there was not enough variety in the previous questionnaire.

#### **4.4 Data analysis**

The study presented in this thesis has a deductive approach, meaning that it based the collection of data on an especially created theoretical framework (presented at the end of Chapter 3), which was guided by the formulation of the research objectives and was useful to organise the data analysis (Yin 2014). Questionnaire and interviews were focused on gaining more knowledge about topics presented in the theoretical review of Chapter 2 and Chapter 3, and had the goal of answering the research questions presented in the first chapter.

The usage of quantitative data helps to explore, present and describe relationships between variables (Saunders et al. 2016: 497). This information can be classified into different data types using a hierarchy of measurement referred to their precision. First it can be descriptive or nominal data, i.e. impossible to define in a category or to be ranked, only the number of occurrences can be count; second type is known as categorical data, i.e. data whose values cannot be measured numerically but can be classified into sets according to common descriptive characteristics; then there is ranked or ordinal data, i.e. a precise form of categorical data which gives the position within the data set; a further type is interval data, i.e. data where the difference can be measured in intervals between two values; finally there are numerical data, i.e. counted and measured numerically as quantities. (Saunders et al 2016: 499 – 501).

Quantitative data have been collected through a non-probability method with a population completely belonging to the generation of Millennial, i.e. born between 1999 and 1980. It was asked consumers to respond a English-only questionnaire and it was presumed that all respondents could read the language and perfectly understand the meaning of the questions. This choice was made due to the international dimension of the desired sample and also due to the idea that western people born in the last 40 years are increasingly at ease with the English language and master it at least at a medium level (Brady et al. 2018).

The analysis of numerical data has been done by using the statistical tool SPSS. This was possible after a first transformation of the non-numerical and non-structured information into numerical values, thanks to the usage of the Likert scale method. To do this, the questionnaire was divided into different sections and subsections. The first section collected information about the respondent (with sub-categories age, gender, nationality, occupation and educational level); the second section was for information about the respondents' relationship with social networks (with sub-categories about the frequency of usage, the number of active accounts and the main reasons for the usage); the third section analysed the influence that social media can have on the respondents' perception of brands and products; the fourth section tried to understand in which of the six stages of the purchase decision process social media are more influencing (sub-categories were referred to all the six stages).

For each section, the type of answers could be slightly different. Regarding demographics, firstly the information about the gender was valued (1) for male and (2) for female and, similarly, the nationality was valued (1) for European and (2) for non-European. The age interval 1995 – 1999 was given the value (1), 1990 – 1994 (2), 1985 – 1989 (3) and 1984 – 1980 (4). For the occupation were given also values representing students (1), working students (2), full-time workers (3), part-time workers (4), unemployed seeking for a job (5) and unemployed not seeking for a job (6). The highest educational level was categorised as (1) less than high school, (2) high school, (3) bachelor degree, (4) master degree, (5) doctorate. For what regards the questions were there was asked about the frequency of an action or the level of

satisfaction/trust, the data were evaluated on a linear scale of importance with the grade 5 as the highest number and the grade 1 as the lowest, i.e. 1 = Never, 2 = Sometimes, 3 = Regularly, 4 = Often, 5 = Always.

The relationship between the data were then examined by applying a correlation analysis, able to detect relations between dependent and independent variables. This was used to test the presence of possible influence of the social media and create knowledge. Thanks to the analysis the researcher could formulate predictions and hypothesis subsequently used in the interviews. (Saunders et al. 2016: 532 – 533.)

After analysing quantitative information, the research moved to the in-depth study of what resulted to be more interesting from the previous data collection. This was done through the collection and analysis of information coming from qualitative semi-structured interviews.

Qualitative data can have the disadvantage of giving the research a more subjective view and can be based slightly more on the intuitions and perceptions of the researcher. It is difficult to quantify these data because we cannot measure the interviewers' answers. Given these motivations, results should be presented as condensed, i.e. summarised, grouped, i.e. categorised according to the objectives of the study and to the main topics discussed, and restructured as a narrative support meaningful analysis. This has to be done in order to achieve the explanatory purpose of the study. (Saunders et al. 2016: 568 – 570.)

In these interviews consumers were asked to answer a number of prepared questions which were also integrated with more appropriate and improvised queries which had the aim to make respondents reflect about the motives why they were giving certain answers and the feelings that they could connect to the situations. Altogether this second analysis not only gave more rich and detailed information, it also contributed to see the topic from a more broad point of view. (Saunders et al. 2016: 388 – 390.)

#### 4.5 Credibility of the research

Every study has as its final aim the response to its initial research questions. What is however difficult is the assessment of the credibility of the research findings. Indeed, it cannot be known if the answers given are completely true, but researchers can reduce the possibility of getting wrong responses through a good research design. And especially for quantitative and mixed-method research, particular emphases has to be given to the issues of reliability and validity. (Saunders et al. 2016: 201 – 202.)

*Reliability* refers to replication and consistency of the data. If a research is able to replicate the same research design and obtain the same findings, then the research is seen as reliable. *Validity* refers to the suitability of the tools and measures used, the accuracy of the analysis and the generalisability of the findings. (Saunders et al. 2016: 202.)

In this study the reliability of the research was ensured through the use of a standardised questionnaire with mostly multiple choice answers. But still there may be some threats to the repeatability of the data. First is the *participant error*, i.e. those situations in which a consumer may answer differently than intended because of the context. This is usually best avoided through a longitudinal time horizon of the study, but since the time constrain it was not possible to do it in this thesis. Instead, a “neutral” time was chosen for the launch of the questionnaire online (Saturday afternoon) and it was left online for four weeks, giving consumers to participate in it when they felt more motivated as possible. A second threat is the *participant bias*, i.e. factors that bring the respondents to answer the false, maybe with the intent of pleasing others or because of their belief that one answer might be more correct than the other. This error was limited by the anonymity of the questionnaire and by their online, informal and not face-to-face dimension. Then of course there might be also a *researcher error*, i.e. his or her way of asking questions and interpreting the answers. This threat has been acknowledged and was tried to be reduced by the constant meeting with the thesis supervisor, an in-depth reading and critical review of theoretical material, and also through pilot tests for the questionnaire. Finally, the last

issue capable of influencing the research is the *researcher bias*, i.e. the use of excessive subjectivity in the analysis of findings with the consequence of altering the results. To avoid this last problem, the collection and analysis of quantitative data was done through digital tools and it was compared to previous findings in order to compare them and test the credibility of this thesis. (Saunders et al. 2016: 202 – 203.)

Reliability is necessary to the research credibility, but it is not enough to ensure a good quality. The validity of the research has to do with whether the findings are really about what they seem to be (Saunders et al. 2016: 203).

Validity can be internal or external. Internal validity refers is established when the research accurately demonstrates casual relationships between variables, as it is in this study for the influence that social media have on each of the stages of the purchase decision process and also the perception of products and brands (Saunders et al. 2016: 203). External validity is instead concerned with the deduction of the findings to the whole population, i.e. if they can be generalised (Saunders et al. 2016: 204). To ensure internal validity in this study not only the relationships have been through a digital tool as SPSS but they have also been deepened in a second moment through interviews. External validity is instead more difficult to define, especially given the small size of the statistical population compared to the entire generation of Millennials (Saunders et al. 2016: 204). As it was previously stated in the limitations of Chapter 1, the information gathered about consumer's behaviour in relationship with social media was limited mostly to western countries citizens and from the questionnaire they resulted to be mostly Europeans (probably in large part Italians and French, given the researcher's network). Generally speaking Millennials might have any type of occupation and age within the given range, but in the case of this research most respondents could fall into the same categories, again probably due to the researcher's network composition. A variable which instead seemed to reflect quite fairly the general population is the one of the respondents' educational level.

There are some threats also to the validity of the research. First threat are recent or *past events* which can change the participants' opinions. Again, this could be reduced

through a longitudinal data collection, but given the cross-sectional time horizon of the thesis this threat was reduced by the analysis of two distinctive market industries (footwear and watches) along with the whole general market. Second threat comes from the *testing* and the impact it has on the participants' actions. In our case no participant was previously informed about the research project and therefore they should not have been influenced. Other threat is the *instrumentation*, i.e. the impact of a change in a research tool along different stages of the study affecting the comparability of results. This issue does not exist in our study since the questionnaire was created and launched online just one time, without modifications and for a limited period of time. Two further issues not interesting our research because of its cross-sectional dimension are the one given by *mortality*, i.e. the abandoning of the study by some participants and the one given by *maturation*, i.e. the impact of a change in participants affecting their behaviour. Last threat is the *ambiguity about casual direction*, i.e. the lack of clarity about cause and effect. This may come from the fact that most of the information is in numerical form. But in order to avoid ambiguity every information will be tested through qualitative more in-depth interviews. (Saunders et al. 2016: 204.)

Reliability and validity are appropriate to assess quantitative research, however they are not the best way to address qualitative research. Indeed, qualitative information is usually based on assumptions, where reality is constructed and multifaceted (Saunders et al. 2016: 204 – 205).

Alternative validation methods for qualitative analysis assess the research project through criteria such as dependability, credibility, transferability and authenticity. *Dependability* is a parallel criterion to reliability. It means recording all of the semi-structured interviews, eventually translate (as in the case of the two Italian participants) and transcribe them in order to make them understood and evaluated by others. *Credibility* is the parallel criterion to internal validity, i.e. it ensures that the participants' answers to the interviews actually match what they intended. Therefore it while doing the interviews the researcher didn't try to influence the interviewed persons in any way, she just asked and listened. Of course some issues of subjectivity

are still present in this phase, but the use of semi-structured instead of open interviews helped the neutral and standardised flow of the conversation. *Transferability* is the parallel criterion to external validity and it refers to generalisability. In the thesis' participants were not enough to be generalised to the whole population at all, but still they have brought some interesting insight on the European consumer behaviour and their relationship with social media. Lastly, *authenticity* is a criterion specifically designed for the nature of interpretivist researches, as it is this thesis. It promotes fairness by representing the views and ideas of the whole interviewed sample, raising awareness and generating new knowledge. (Saunders et al. 2016: 206.)



## **5. EMPIRICAL ANALYSIS AND FINDINGS**

This section presents and discusses the empirical findings of the study. The collected data are analysed through the methodologies described in the previous chapter and they follow the empirical objectives set for the research.

The chapter starts by giving some background information about the sectors of watches and footwear in relationship with social media. In addition it presents the recognition of the two sectors by customers on Web 2.0 along with the consumers' engagement. To continue, the chapter shows the quantitative general findings obtained through the survey strategy. It then analyses the outcomes of the interviews dividing them under the different main topics of consumers' perception and purchase decision process. Final aim of this chapter is to report clear and detailed findings in order to answer the research questions.

### **5.1 The watches market and social media**

Watches are essentially instruments able to measure time. In addition to this aspect, after many years from its invention the tool has become a fashion item, even a luxury piece in some cases, capable of satisfying consumers' desires of aesthetics and social status. Nowadays the function of this tool has even been expanded to the fulfilment of other particular needs such as those covered by smart watches. Still the main reason why consumers decide to buy a particular watch seems to be style and design. (Pluháčková 2008; Lunardi 2017; Wooding 2016.)

Watch companies in the past used to communicate to consumers about their new products through 'classical' advertisement techniques. If they owned a physical shop they would show their watches by putting them in the window. Then those more successful ones with higher budget would also create ads and marketing campaigns for billboards and magazines or invest in advertising for the television. (Van Den Broeke 2018.)

Nowadays there is also the option of advertising on social media and Web 2.0. Instagram especially is a networks that offers companies the possibility to share exclusives on their products and to disclose the details of new models to their many followers. An increasingly number of companies have indeed acknowledged that social media are great tools to directly communicate and interact with their customers. (Van Den Broeke 2018.)

Alexander Rosenbaek, the Danish owner and founder of Dailywatch, a social media advertisement company for watches watches, claims:

*"A single post [from me] could boost a [watch] brand's Instagram following with anything from 200 to 2,500 followers, [...] I also know some of the more affordable brands that I post for receive up to 30 orders per post. I can give the example of [Swiss brand] Valbray, who produce unique high-end watches. They received an order immediately after I posted a 15-second video of their watches in action."* (Van Den Broeke 2018.)

Gianluca Maina, the communications director at Swiss luxury jeweller De Grisogono, thinks that this type of advertisement through social media has a great success especially among Millennials, thanks to the fact that it tends to show products in situation easily recognisable by the consumers:

*"Instagram brought an approach that was left completely unexploited by watch brands, images of timepieces worn in real or so-called real situations. When the first bloggers started to come out with images of themselves wearing their watches with a certain pair of footwear or with a certain tie, they gave a sense of context, which was missing in the communication from most of the brands."* (Van Den Broeke 2018.)

Endorsement on social media is at the moment one of the most powerful marketing tools in the watches industry. Companies hire young and known influencers to help the visibility of their products. Not only celebrities are asked to advertise products. Also less famous influencers are asked to promote watches via their social media, either

implicitly by wearing them in shots, or explicitly with the use of branded tags. (Van Den Broeke 2018.)

The best example of a successful watch business who uses social media marketing is Daniel Wellington, a Swedish company selling simple and minimal quartz watches targeted towards Millennials and especially the preppy segment. Since the beginning, the brand made the great strategy of identifying Instagram influencers and send them their products as a gift; in return these influencers had just to post a photo of the watch on their platform and address it through tags. This was a great success since the feeds were not just about the watch alone, it was always created an artistic environment in which the product was then advertised. Thanks to this strategy, Daniel Wellington created brand awareness and brand identity in just few years and it became an iconic product among Millennials. The major advantage was that this strategy costed the company just a fraction of the price of classical marketing campaigns. (Mottola 2016; Amitrano 2017.)

In conclusion, social Media is nowadays the most prominent form of marketing among many businesses who want to address young consumers, the watches business included. The reasons that bring companies to choose it are many. First it permits relatively inexpensive marketing or even free advertisement (like consumers' word-of-mouth or co-creation activities with users). Second, it gives the possibility to target very specific demographics thanks to the use of big data and consumer relationship management (CRM). Many of the social network platforms do indeed allow brands to target future clients based on age, gender, location, income or interests; therefore they get their product in front of a very specific audience, avoiding the disadvantages of mass communication. (Watch Ponder 2017.)

As the New York times noted in an article on luxury brands and social campaigns:

*“A company is viewed online — not just by its primary customers, but also by the wider online population — can have a significant impact on a brand's overall reputation, particularly with digitally literate young shoppers.”* (Scott 2015.)

## 5.2 The footwear market and social media

Footwear is another fashion and trend related product usually less associated with luxury and social status, but still one of the most appreciated accessories by customers. These products are bought and constantly changed according to occasion, outfits, weather and current trends giving brands great possibility of consumer segmentation. (Vitone 2016; Olsen 2017; Rakestraw 2017.)

Fashion is the number one reason consumers purchase footwear and it has always been this way. Consumers' may also search for comfort and conformity to their use, but still design and fashion are the main drivers. That's why companies need not only to follow trends, but also to create them in order to make consumers interested in their products. (Vitone 2016; Olsen 2017; Rakestraw 2017.)

In Europe the footwear market is finally recovering after a recession that began in 2008. This is positively affecting sales, especially for what regards lifestyle trends such as the eco fashion footwear or footwear for exercising. Buyers remain cautious and price-conscious, but they are eager to try out new models of shoes and to incorporate them into their outfits in order to show off their lifestyle. (Barberi Ettaro 2016.)

Since Millennial shoppers pass a huge part of their time on social networks, marketers do agree that social media channels have become increasingly important for both commerce and marketing activities. It has indeed studied that nowadays almost one-third of online shoppers use social channels to browse for new products. (Olsen 2017.)

Bart Mroz, co-founder and CEO of Sumo Heavy, said:

*“When it comes to footwear brands, and retailers specifically, a cohesive social media approach allows for real-time marketing that increases sales and engages customers, [...] but before putting a social media strategy into action, they [the footwear companies] need to keep in mind the differences in behaviours and demographics of each audience on each platform.”* (Olsen 2017.)

A successful example for this industry is Adidas. The company noticed the trend of nostalgic old school sneakers among Millennials and therefore decided to bring back some widely popular shoes of the past, as it was being done at the same time by other competing brands. But what made Adidas be greater and beat its competition was its understanding of the shoe culture and the capacity to influence it through social media. Instead of asking and paying celebrities to support their brand, as every other big company was doing, Adidas just sent their shoes to celebrities, hoping that they would wear them. This happened making the brand's awareness considerably increase. What was even better for the company is that they built reliance with their clients. Since they had not a really strong marketing presence (but did everything in a more subtle way) consumers perceived integrity in the promotion of the shoes, giving more trust to the brand and finally increasing purchases. (Coady 2017; Stock 2017.)

### **5.3 General findings**

The first part of the empirical research was conducted through a quantitative survey strategy which aimed to collect general information about Millennials' consumer behaviour in relationship with social media. The industries of footwear and watches were not really relevant in this phase; the data served just as a prior understanding which was in a second moment studied more in depth thanks to the qualitative strategy of interviews.

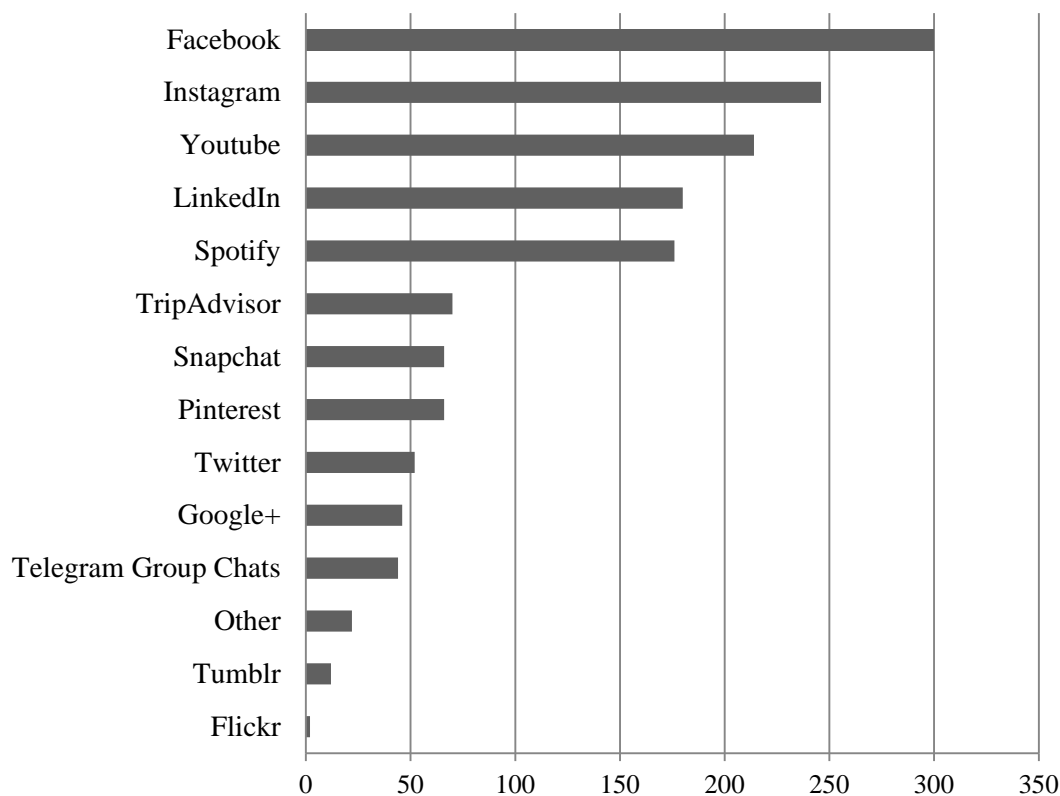
As previously stated and presented in Chapter 4.3.3, the sample is not as heterogeneous as it was desired. A slight majority of the respondents was female, they were mostly "young" Millennials between the age of 24 and 28 and they were mostly workers or students from Europe. There were also a few non-worker and non-students but they were a small minority; non-European respondent indeed were so few that they don't present any relevance. The only data that did evidently report more variation was the educational level of the population, although most of the respondents claimed to have a university degree of any level.

To search for some more relationships between data, the correlation analysis tool in SPSS was implemented, but it showed no relevant connections between data. Therefore we have decided not to further analyse this aspect but to consider the group of Millennials as a whole, without searching for more sub categories.

The lack of heterogeneity makes it harder for us to claim that these findings can be generalised to the overall population, but at the same time this is not so relevant for the purpose of the thesis (Saunders et al. 2016). Indeed, in the beginning of Chapter 2 we discussed the choice of using a whole generation as market segment. We are aware that within this segment every individual has its individuality and presents characteristics that might slightly differ from the others, but those are not relevant for our research. What this study analyses is the Millennials' culture, a group culture which presents common behaviours and beliefs for all the consumers targeted within this cluster, and that distinguishes them from consumers belonging to different generations. Therefore when speaking about Millennials in this empirical findings, we will refer to a cohesive group where age difference doesn't, occupation, gender and educational level do not matter. Also the country of origin has not been considered as a discriminant, since every respondent was European or had lived in Europe for at least two years.

The collection of data about the use that consumers make of social media confirmed the theoretical background of the study; it also supported the assumptions made about the increasingly attached relationship that users have with their social networks.

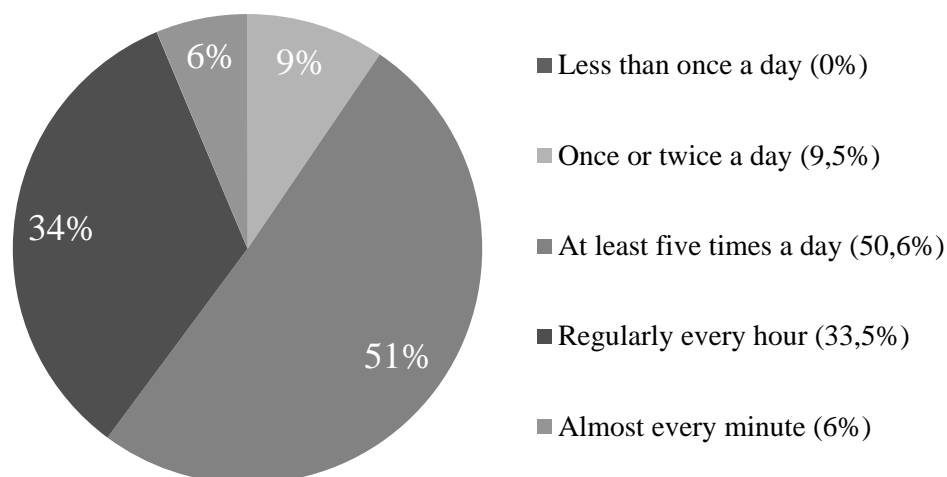
The social networks which consumers claim to use the most (Figure 14) are Facebook (94,4%), followed by Instagram (77,8%) and YouTube (67,7%). High are also the usages of Spotify (57%) and LinkedIn (55,7%), while other famous platforms such as Twitter and Snapchat showed not to be really interesting for European users (respectively 16,5% and 20,9%).



**Figure 14.** Most used social networks among European Millennials.

Most of the statistical population declared to have at least two active social network accounts, i.e. accounts on platforms which they regularly enter. They might in fact have more accounts also on other platforms which they use less, but those were not relevant to the aim of the research. Only 5,1% of the respondents claimed to have just one social network account, while 36,1% stated to have two or three of them, 33,5% declared to have four or five accounts, and 25,3% affirmed to have six or more.

The overall usage of social media is illustrated in Figure 15 and it shows how most of the Millennials do use regularly their media every day and at every hour. Indeed, as supposed within the theoretical chapters, no one of the questionnaire participants claimed to use social networks less than once per day. This confirmed the high attachment that this generation has to their mobile devices and social network platforms, highlighting the importance that these channels can have for marketers.



**Figure 15.** Millennials' social media usage

For what concerns the motivations that bring Millennials to use the networks, most respondents claimed that they do it for communication purposes (78,5%) and to follow other people's lives (60,8%). Surprisingly only 32,2% affirmed to use the platforms to share ideas and opinions. The purpose of social networks used in order to search information about products, as supposed in the theoretical framework, was confirmed by the questionnaire responses. The majority of participants claimed indeed to go on their platforms to search for information, opinions and reviews about products, services or events; with a score of 65,2% this was apparently the second main reason why Millennials use social networks. On the other side, the questionnaire showed that only 8,2% of the respondents like to use social networks to directly communicate with brands.

After confirming that Millennials use social networks and that they do it in order to research for information about products and brands, the respondents were asked how much they trust the information coming from the digital platforms and if they were valuing more a brand with high presence on social media or not. Findings showed that the wide majority of European Millennials do trust information coming from the media , and even the percentage of respondents not trusting social media information at all



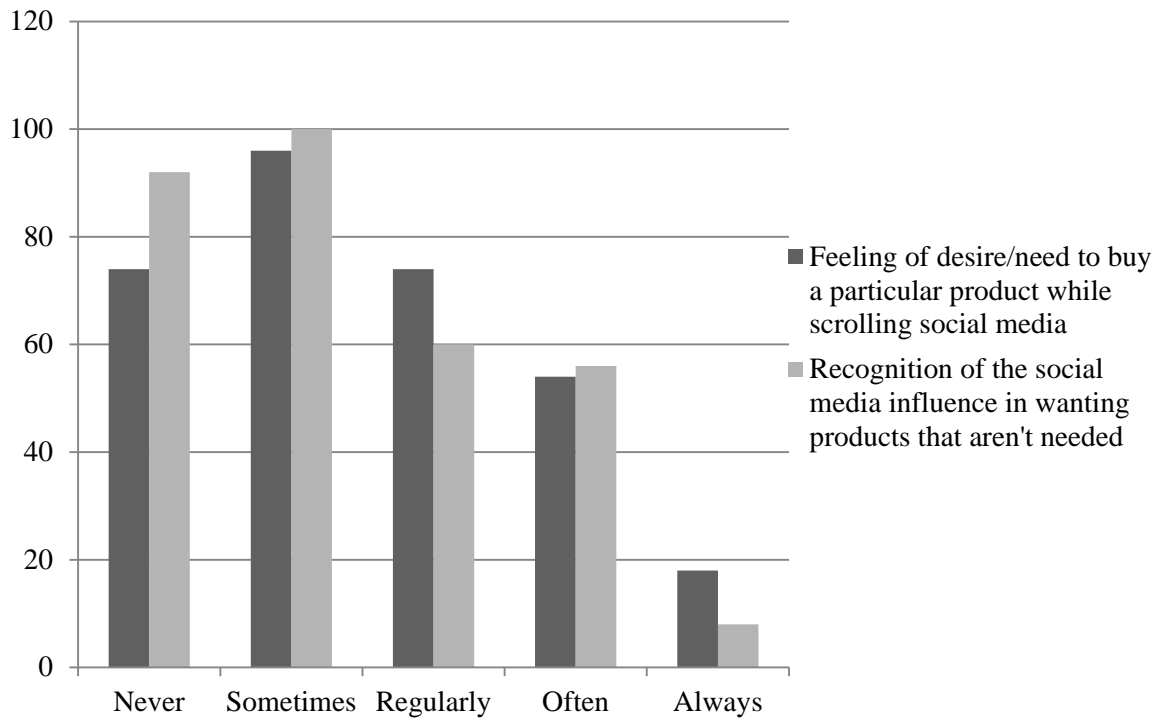
(only 2,5%) was smaller than the percentage of users completely trusting these channels (3,2%). Also the data about a company's value confirmed the theoretical framework. Millennials did indeed answer principally that they usually don't value more a brand that is strongly present on social media or one that is not; but among the other respondents the opinion of the most was that a brand exposed on social media can be more reliable (16,5%) than competitors not found on the platforms (8,9% claimed the contrary).

Moving on to the analysis of findings about perception and the stages of the purchase decision process, respondents were asked to answer the questions mostly based on a scale evaluation that goes from 1 to 5, with 1 being the lowest frequency and 5 the highest. In these cases the answers were already in numerical form, while in those cases where the data was non-numerical it was transformed through the Likert method in SPSS.

There were some overlapping of topics between questions, with some answers referring both to the role of perception and the purchase decision process. This was due to the nature of consumer behaviour itself in which perception is one of the key physiological processes that make consumers respond to certain stimuli and therefore initiate the purchase decision process (Askegaard et al. 2016).

The first stage of the purchase decision process is the one in which consumers recognise their needs or desires. This is one of the most difficult phases to auto-evaluate by consumers since it usually happens at a subconscious level and without them actively reflecting about it. Therefore, it is plausible that in the responses regarding this particular stage are present some participants' errors. Still we accepted the findings as they were and we deepened their understanding through the following interviews. Millennials were firstly asked if they ever feel the need of buying a particular product when scrolling social media, e.g. if they see the advertisement of chips and they feel like eating some of them; secondly it was examined if they sometimes recognise that they actually don't need a particular item, but they are prone to buy it due to social media advertisement. The results (Figure 16) show that Millennials believe not to be extremely

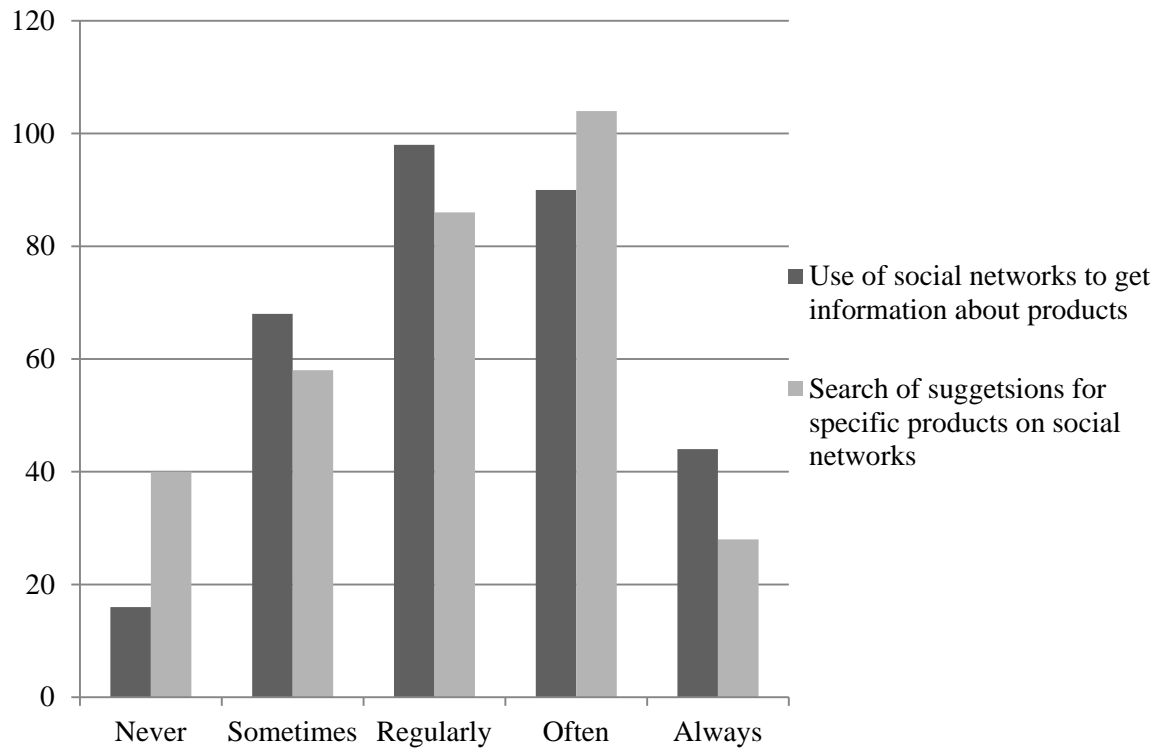
influenced in the recognition phase, however only the minority of the population declared not to be affected at all by social media. Generally speaking they believe social media to have some relevance in their need recognition phase although they don't seem to give it too much importance.



**Figure 16.** Social media influence in the problem recognition stage.

The second stage of the consumers' purchase decision process, the information search, is probably the one most influenced by social media. To collect data especially on this phase, Millennials were initially asked how much they use social media to get information about products (Figure 17). It was asked to respond with a scale value from 1 to 5 and the majority of the respondents answered values 2, 3, 4 and 5, i.e. sometimes (21,5%), regularly (31%), often (28,5%) and always (13,9%). Only 5,1% answered they never use social networks to get information about products. Similarly, it was asked Millennials if they use social networks to get suggestions about specific products. The answers were this time higher for the negative extreme (12,7%) and lower for the highest extreme (8,9%), but the mid values showed how consumers do overall use the

media quite regularly if not often to get more ideas about products they are interested into (Figure 17).



**Figure 17.** Social media influence in the information search stage.

The third stage of the process is the one in which consumers evaluate the various alternatives they are offered. In this stage we have discussed to be relevant various factors such as culture, demographics, interests, psychology and many others. It is indeed in this moment that perception plays the strongest role. A consumers' perception of two different competing brands may easily be the determinants for him or her to choose one and not the other product.

The research questionnaire did not go in detail in this stage as it is better suited for a qualitative analysis, but it was asked Millennials to give their opinion about the quality of two specific brands in the footwear and watches industries. For each sector they were

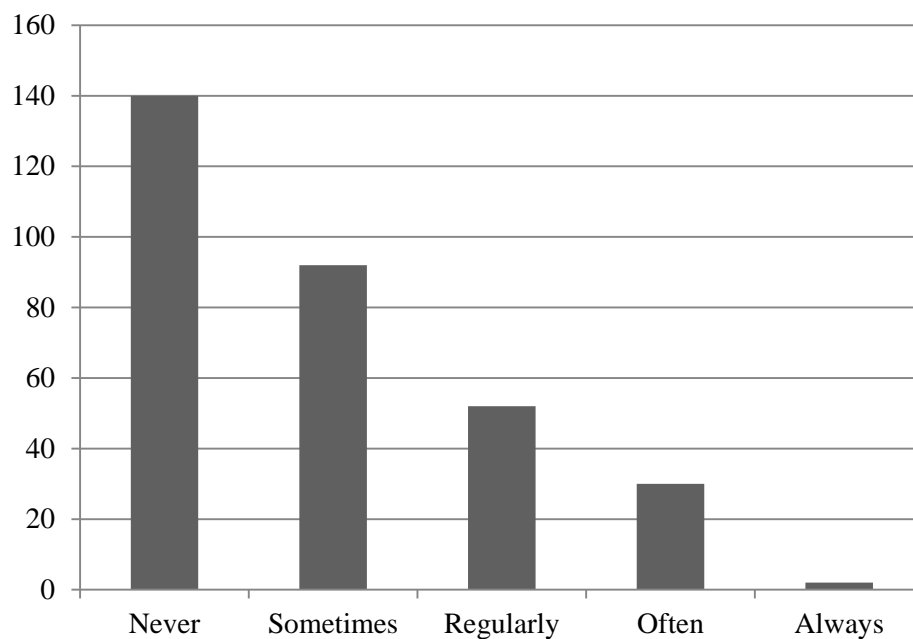
shown two competing products, really similar one to the other (Appendix 2), in order to have less influence as possible by design or colour tastes.

As expected, when showing a watch branded Daniel Wellington (really successful social media marketing case, as discussed in the previous chapter) compared to a watch of the company Swatch, the majority of consumers (54,4%) affirmed to think that Daniel Wellington is higher quality. This research is not about which brand has actually the better quality, but it wants to show how much a good social media strategy can influence consumers' perception. Before asking them about their opinion, participants had to answer two questions about if they had ever seen the two brands advertised on social media and also in this case the majority reported to have seen just Daniel Wellington. Therefore it is safe for us to use the theoretical framework and claim that Daniel Wellington was perceived as the "better" product by consumers who had also seen this brand more often advertised through social media. Thus social media may have influenced the idea that these consumers have on the item, making them perceive the DW watch as an iconic item, something widely diffused and appreciated, symbol of a kind of lifestyle which they like and follow.

The footwear case was a bit more surprising than the one of watches. Indeed consumers were asked their opinion about the quality of two plain sneakers: one brand was converse, which widely advertises its All-Stars sneakers through many channels included social networks, and the other one was Levi's, which actually barely advertises its shoes as they are not in the same market segment of the rest of their products (such as jeans). Millennial consumers claimed not to have really seen the Levi's shoes on their social networks (1,9% said to have perceived them on their digital platforms), but 36,7% of the respondents affirmed to think that Levi's quality is higher and 27,8% did not have any preferences. Only 35,4% of the customers indicated Converse as the brand with the highest quality, hence less than the result for Levi's shoes. This finding was quite unexpected, both for the fact that consumers seemed to like more a product they had not seen advertised and also because that particular model of Levi's sneakers had a price which is half the price of the Converse sneakers. The explanation for these findings is something that was further discussed during the interviews, but our first

assumption is that consumers may have had a perception of higher quality of the whole Levi's brand. Therefore they associate the brand image to all its products independently from the real type of quality or price that they have. Indeed we have seen in the theoretical chapters that interpretation is mainly based on experiences and drove by preconceptions. In this case the good name of the brand Levi's has influenced the consumers' perception in thinking that also their shoes must be high quality.

The fourth stage of the purchase decision process is the purchase decision, followed by the stage of the purchase moment itself. Consumers were asked how often they change their mind about a purchase in the last minute and the answers were quite negative (Figure 18).

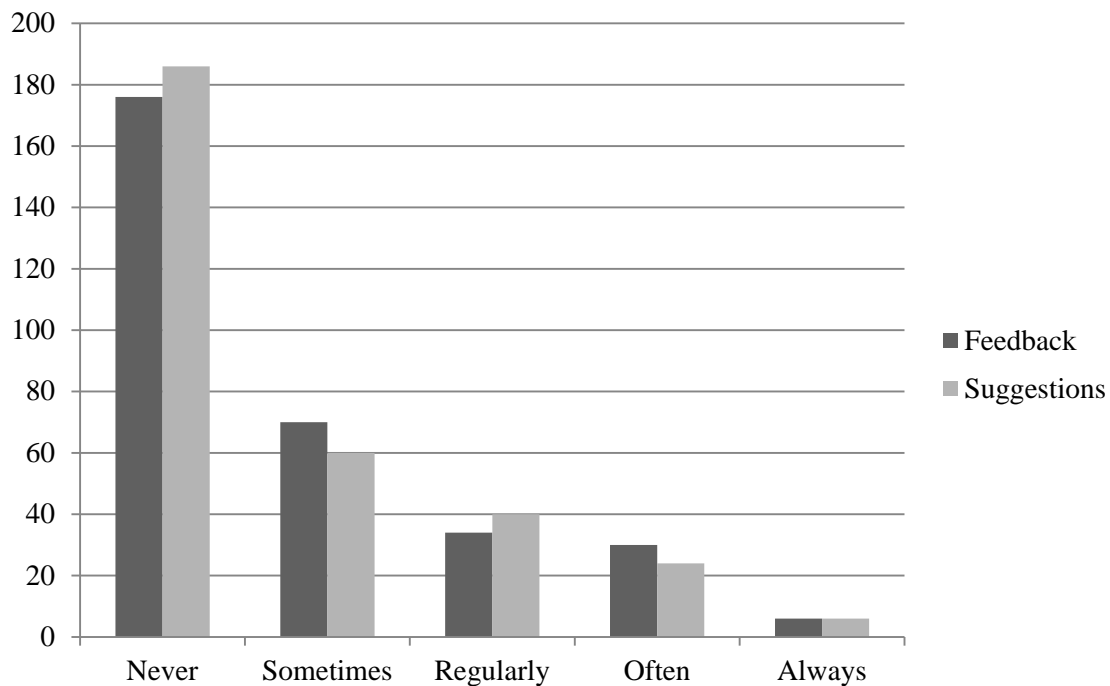


**Figure 18.** Social media influence in the stages of purchase decision and purchase moment.

What this shows is that the influence of social media is less strong in these stages. This is nevertheless a positive result for the research because it shows the effectiveness of social media influence in the previous stages. Indeed, before making the decision to buy

a certain product, consumers inform themselves, gather knowledge and choose between the possible alternatives. They are highly influenced by advertisement in these first steps. The fact that they don't change their mind so easily indicates the efficacy of the advertisement and the high trust that Millennial consumers put in the information they have collected through social networks.

The last stage of the process is the one in which consumers test the products and eventually engage with the brand to express their satisfaction/dissatisfaction. We have already reported the finding regarding how many participants claimed to communicate with brands and it was just of 8,2%. To understand this better, the questionnaire asked consumers how often they contact brands to give feedbacks about their products or services (even a complaint), and also how often they give brands improvement suggestions (maybe asking for particular characteristics of the products). The trend here was really similar (Figure 19). As expected from the previous finding, the majority of participants claimed not to contact brands at all, nor to give feedbacks (55,7%) nor to provide suggestion (58,9%).



**Figure 19.** Social media influence in the post-purchase evaluation stage.

#### **5.4 Millennial's perception of brands and products under the influence of social media**

After conducting the first empirical analysis on quantitative data, the study had a good background information about consumers' behaviour. Therefore, the following step was to deepen those results going more in detail into consumers' mentality and behaviour. This was done through semi-structured interviews which in the first part, completely aimed at understanding the role that social media play in varying consumer's perception. These interviews enabled the researcher to understand better the feelings and the mentality of respondents. Indeed thanks to the face-to-face situation, the interviewees' thoughts became more clear and it was easier to detect their indecision, leading to a possible bias or error. Final goal of this part of this initial part of the interviews was to provide an answer to the first research question.

It is challenging to ask consumers whether they are or not aware of stimuli, since even those above the absolute threshold may be received at a completely unconscious level. A little bit easier, but still difficult, might be the recognition of stimuli above the differential threshold. Consumers may indeed notice to be more exposed to stimuli which contain their favourite colour, the smell of their most hated food or the sound of a music genre they love. But still complicated it is for them to recognise the exposure and attention phases of the perception process. With or without social media, these assumptions do not change.

As we said in the theoretical framework, due to social media and advertisement on Web 2.0 consumers are nowadays bombarded by information and they live in a state of sensory overload, exposed to a quantity of information bigger than the one they are able to process (Salomon et al. 2018).

As first request, we asked the interviewed Millennials to check quickly one or two of their social networks and to notice if there was some advertisement or simple ad. All of the consumers reported to be aware of the huge publicity exposure they get on social media, but they also seemed to have a really high absolute threshold. Most of them

indeed said not to care really about advertisements and that they usually don't notice it or expressly avoid it by scrolling by on their mobile phones. For example interviewee C and B stated:

*“They are a lot but I am really used to them and I don't even take care. I personally don't see those advertisements anymore. My brain seems not to notice them. I pass through them and scroll down without even realising.”* (Interviewee C).

*“I don't really care about advertisement. I think it is fair to have it since this [Instagram] is a social [network] that we use for free. And somehow advertisements are now more effective there [on Instagram] than on television. I always notice the ads, they don't bother me, but I usually move forward.”* (Interviewee B).

Millennials are aware of the advertisement on social media but, even if they directly see them, not always this ads are above their absolute threshold. This is because there are so many commercials that consumers automatically think they are not interesting. As interviewee D notices, this an issue that could actually be easily fixed by using in a more efficient way big data and targeting better the consumers.

*“They [the advertisements] irritate me because it maybe is not what I want to buy or, even worse, when I speak with my friends for example about potato chips, and then I immediately get on Facebook a chips advertisement, this annoys me. Because I know that they [social network sites] have violated my privacy – even if I am aware that I signed to make them access my information. It really annoys me. If they need to advertise, then they should at least use big data in a more efficient way. They should tailor the advertisements on my preferences, but not immediately after I have spoken about the products.”* (Interviewee D).

*“They [social media advertisements] are not perfectly tailored on my needs and desires. Instagram in particular has a problem also with the localisation. It usually notices that I have moved to another country only after two weeks. And this is an issue.”* (Interviewee B).



Despite the lack of effective personalisation, sometimes ads succeed in getting the attention of the Millennial consumers, but not always this has a positive effect. As already stated, not every commercial uses big data to target the users, and therefore the wrong message could arrive to a person whose relationship with the media is not so favourable.

*“[...] For example, right now here [advertised on Instagram] there is H&M. I have decided that I will not go to H&M for at least two weeks! Or maybe if I see an advertisement of food, when I go to a supermarket I expressly avoid that product. I don't want to buy what they show me, because this is my reaction. Maybe then after two weeks I will go back to get that same product, but because you [brand] have put on my media the suggestion of your product, I will consciously buy something different. It is a personal challenge against those brands.”* (Interviewee D).

On the contrary, when consumers get the advertisement that was specifically created for them, they may engage in activities of information search in order to interpret the stimuli they got.

*“Yes, then if I see something that could interest me, I click [on the ad] and go even to the site in order to see what it is [the advertised product]; if it is something that could interest me. But not always that happens. Ninety-nine percent of the time it is nothing that interests me, but if this happens [if I am interested] than I do it [I click on the ad].”* (Interviewee H).

We then passed to a second stage of the interview and directly asked consumers when do they think that social media advertisements are more effective on themselves. This was helpful to understand the different point of views of Millennials and to get a more clear idea on the general level of advertisement acceptance that this generation has. Surprisingly, most of the interviewees said not to dislike advertisements. And most of them reported as the most influential method the one of endorsement. But, as said in the previous chapter, among these interviewees they all claimed to prefer to get their

information through influencers and not from celebrities. Influencers are indeed perceived as being ‘closer’ to the consumers and living a life that is somehow more similar to their one.

*“[An ad catches more my attention] if a product or a service is promoted by an influencer. Because I see it – at a more superficial level – as a more real thing, because I identify this person [the influencer]. I know who this person is, although I may not know him or her in person, but I know that it is a physical person. On the contrary some commercials may not even have a physical person in their image and therefore I can’t relate to it. I don’t know, I think it is a thing just about my perception.”* (Interviewee G).

*“Influencers give me the perception of a more realistic situation compared to commercials. I know it is not a real thing at 100%, because I don’t even have a visible contact with this person [the influencer]. Still I prefer an influencer compared to a commercial that is not very personal.”* (Interviewee A).

No one claimed to prefer classical types of advertisements in which a product is sponsored directly by its brand. But at the same time not everyone declared to like ads coming from influencers. Interviewee E indeed seemed really to be against this form of promotion. This type of consumers are usually more attracted by products they see on the accounts of some direct acquaintance of theirs, someone they know and trust more than general influencers. Therefore in these cases a brand awareness is created through e-word-of-mouth, a strategy that can’t be directly controlled by companies and that gives consumers the idea of being more genuine.

*“Internet word-of-mouth is the way I prefer to get my information. Also blogs, because in that moment it’s me who is searching for the information. It is not thrown under my eyes in order to influence my purchase.[...] And between an influencer and the brand itself [speaking of advertisement method], I prefer the brand. Because it’s their job to advertise their products and have marketing activities to do promotion.”*

*Influencers on the contrary don't inspire me any trust. They just do promotion for money. I don't like influencers.*" (Interviewee E).

*"I have sometimes felt the desire of buying a particular shoe or other items because I have seen them on the social networks. But not on an influencer since I don't follow them and am not interested in their advertisements. But sometimes I see the photos of my friends who wear particular items which you usually don't see around on the streets. And if I know the person I also ask him or her where they bought it. But I don't do this usually for 'standard' watches or shoes that everyone else owns. It's more for particular items."* (Interviewee F).

An alternative way to position advertisements above the differential threshold for these people who don't like the role of influencers seemed to be promoting through discounts.

*"I like it when there are some offers. If I for example get an advertisements sponsoring discounts, then I will most certainly notice it and click on the ad. Because there is written 'promotion'. Discount is the magical word, otherwise I don't need an advertisement. If you give me something in return, then I open [the advertisement] otherwise not."* (Interviewee D).

In the last part of the interview about perception we made reference to the questionnaire, asking Millennials what type of brand they had chosen to be more high in quality in both the cases of watches and shoes, and the reason why. We tried to understand more in detail the motivations behind their choices and the role that was played by their perception of the brand. In the case of watches the quantitative findings had respected our assumptions but in the case of shoes it was the contrary. This was surprising and therefore it was analysed with more interest.

Regarding the watches (Daniel Wellington compared to Swatch) the ideas of consumers were quite divergent although the slight majority of them seemed to believe that the brand Daniel Wellington is of higher quality or more trustable, since it is so much present on social networks and worn by a lot of people. A shared belief among

Millennials is that they let themselves be influenced by the kind of lifestyle that the person advertising the product shows. Therefore, in the case of Daniel Wellington, which was strongly promoted by influencers, Millennial consumers empathized with that person and believed that they could have a similar lifestyle by owning the same fashion item.

*“I choose Daniel Wellington because I now own one. But it is not just the perception of quality. When I decided to ask for this watch as a gift, I really liked the design, because I had seen it a lot of times. Probably I was subconsciously influenced since I had already seen this watch. I almost already knew the watch although I never had a real experience of it, I had never seen it in a shop. But I had seen it worn by influencers or I saw the advertisements on Instagram.”* (Interviewee A).

*“I saw Daniel Wellington wore by Andre Hammann, an influencer who promotes this brand. I really like how he dresses, what he does and how he matches the watch with his outfit. And consequently I think that I associate that brand to that type of lifestyle. Therefore I most certainly was influenced by it.”* (Interviewee G).

Also in the footwear sectors Millennials claimed to like advertisements made by influencers and they seemed to be influenced by fashion, design and lifestyle.

*“I own several pair of shoes that are frequently advertised on social media. I just like these shoes. Maybe having seen them on others on the media, such as influencers, has shaped my idea. I usually buy items that are worn by people with a similar kind of lifestyle to the one I live or long for.”* (Interviewee H).

But differently from our expectations, the majority of the questionnaire answers did indicate Levi's sneakers as higher quality than Converse All-Stars shoes. We had hypothesized a different result since the shoes of Levi's are almost not advertised on social networks, contrary to Converse which does this activity. Apparently, Converse doesn't have an effective social media marketing even if they invest in it for their shoes, while Levi's isn't really focused on advertising its shoes, but it had created a lot of

brand awareness on social networks. Therefore consumers associate every product of Levi's to that strong brand which they seem to like, regardless of the quality of the single item.

*“I thought Levi's to be higher quality, without even knowing the prices of the two [pair of shoes]. This is not a thing I think just at a social media level, but I connected the shoes to the jeans brand. This jeans are quite expensive and I think also of good quality. Actually I had never seen those shoes before, but I associated to them the brand. [...] Yes, I have seen the brand Levi's on social media. I think they are quite present on social media, even more than converse, but just for jeans. Levi's is advertised a lot by influencers, whereas Converse less. But maybe this depends also on the influencers I personally follow.”*(Interviewee G).

At the same time some Millennial expressed how they prefer to have a real experience of the product. Not everyone trusts completely the information coming from social networks. And consumers seem not to forget about brands they really liked, even if they are currently out of the spotlight and not heavily advertised through social media. Some consumers seemed to retain their positive image of the brand Swatch even if they hadn't seen an advertisement of it in a long time, while they started to get suspicious towards Daniel Wellington, a new brand already so widespread. Similarly, Interviewee H said to prefer Converse because it is a brand that has done shoes for a long time and that is known in the industry.

*“Swatch is higher quality for me, because I am more familiar with the brand, which is known for its quality, compared to Daniel Wellington which instead is known for its advertisement on social media. Therefore I trust more Swatch, because it is there [on the market] since more years, while I have come to know Daniel Wellington only in the last year. I never had a Daniel Wellington watch, while I already had some Swatch watches.”* (Interviewee F).

*“I know that Swatch has the highest quality, but from a first impression Daniel Wellington gives you the idea of higher quality, because of its*

*more modern design I guess. But at a mechanical level, Swatch is of more quality also because it has done watches for a longer period of time.” (Interviewee B).*

*“I had declared in the questionnaire that quality was not the only driver for my choice. Converse has done that type of shoe for many years and it is a more successful shoe brand. At the same time I like more the design. I don’t really think there is so much difference between the quality of the shoes, but I prefer Converse.” (Interviewee H).*

This was said for the watches sector, but it seemed to be even more true for the footwear market. Watches are indeed just a fashion accessory that can always fit you, while shoes have for Millennial consumers also the component of usage. Therefore, the perception of good quality for shoes seems not to be enough; Millennial shoppers want to experience new shoes before purchasing them; they usually don’t buy them online by trusting someone else’s opinion.

*“I never personally experienced, for example, these shoes I have on right not. I bought them on Internet. But before buying them, I went into a physical shop and tried them on. Because diversely from watches, shoes are something that you absolutely need to try on. It is important to have a physical experience of how the shoe is done, while for the watch it was enough for me to see its picture. It’s because of its use.” (Interviewee C).*

*“Nowadays, the quality of shoes is always almost the same. But I usually choose shoes depending on the fit, on the shape of my foot. If something triggers my attention and drives me to purchase, this is the style, the design of the shoe. Obviously then they also need to be comfortable. Therefore I let me inspire by images of shoes I see online, but I always want to try them on first [before the purchase]. I don’t buy shoes online. A watch, on the contrary, I could buy it online. Because it is universal. In the worst case it is too big. But there is no functionality behind it. With uncomfortable shoes I can’t walk, a watch will instead always be ok.” (Interviewee E).*

Finally, although the majority of consumers claimed to like endorsement and promotion through social influencers, trust continued to seem a delicate issue. For most of these Millennials a product that is well advertised is also perceived as a good product. But sometimes the excessive promotion can bring to a loss of trust. What indeed every consumer pointed out about the brand Daniel wellington is that ‘they see it everywhere’ and for someone this has become negative after a while. Interviewee C indeed claims:

*“Of course! Often I am influenced by products I see everywhere on the media. But many times it is a negative influence. For example Daniel Wellington, that gives away watches to every influencer just to let its brand have more recognition. I did not have the same negative perception for example about Adidas, although I right now know that they had a really similar social media marketing strategy. But I never realised that Adidas did this thing [the promotion strategy] through social media. For example, if for chance I watch a YouTube video of a blogger that does travel vlogs, most certainly he will have been put a Daniel Wellington on his wrist. Although he just does travel videos and is not about fashion. Although he’s not a proper influencer. Adidas on the contrary is not so evident. I always just thought that they [Adidas] do nice advertisements for sport, they have an optimal television promotion and they even sponsor Olympic events. Daniel wellington has turned out from everywhere, it really is like a bad penny. Adidas never appeared to me like this. I think that Adidas is a good brand because I tried it throughout many years, I had a positive experience of its products and so on. It has a own image.” (Interviewee C).*

## **5.5 Millennials’ purchase decision process under the influence of social media**

The second part of the interviews aimed at understanding more in depth the extent to which social media influence consumer behaviour in each of the stages of the purchase decision process. The discussions were conducted in order to provide an answer for the second research question.

What has emerged from the questionnaire analysis is that Millennials get more influenced by social media in the first stages of their buying decision, in particular information search and evaluation of alternatives, and also in the last stage of the post-purchase evaluation. A bit more difficult is to define the influence in the need recognition, as we have discussed also in Chapter 5.4, since it happens at a subconscious level. Phases four and five, i.e. the purchase decision and the moment of decision, are usually less influenced by the media since the previous stages have served to collect a really good amount of information which the consumer trust and believe in. Therefore Millennials subsequently don't feel the need to re-check their decisions or make last-time changes before buying a product.

The interviews were specifically shaped on the watches and footwear sectors, but they dealt also with the overall market scenario of all those businesses that can be related to social media. Consumers indeed seemed not to perceive with so much more difference the purchase of a pair of shoes and the one of a watch. This was probably due to their common belonging to the fashion sector. But the interviewed underlined also how for them purchases in the same range of prices (low cost or medium cost products as those of the examples) had all a really similar importance. Millennials said not to follow a different type of approach in their purchases of different products. They would behave differently only in the case the price category of the product were different, for example with luxury items. However this aspect was not studied further since it was not fully related with this thesis topic.

Once again, we tried to analyse consumers' idea of their own problem recognition phase. We asked Millennials if they ever felt the need of buying shoes or watches when doing any type of unrelated activity on social networks. This was partially answered in the part of the interviews about perception, but we hereby wanted to analyse even more the consumers' realisation of wanting a product just because it appears on their social network platform. Responses were not really extensive and most interviewees did not know what and how to answer. Of course the explanation is that this phase happens at a subconscious level and we are not used to reflect about it. But an interesting answer was given by interviewee B who said:



*“Usually if I see an advertisement of shoes on my social networks I am not incited to buy them, but maybe I then go to see other advertisements of shoes and open shoe websites. I let myself be inspired on the sector but not on the exact product that is advertised. For example, I see an advertisement of Converse on my Instagram account. I usually don’t click on that advertisement, but maybe it comes to my mind ‘ah, well, I could need a new pair of shoes’ and therefore I open Zalando’s website.”* (Interviewee B).

Consumers also claimed not to really perform an active information search relating the footwear or watches sectors. They did not say however that they never search for information. What Millennials pointed out is that they search for information when they are actually interested in knowing more about the particular products, for example in sectors such as skin care or technology. Shoes and watches do not have any high risk component due to the limited price (in the cases that were discussed) and their type of usage which is more related to fashion. Usually regarding shoes and watches the choice is based more on design, and not on particular features or benefits. Therefore the interviewees did not report as absolutely important an extensive research of information.

*“Generally I don’t search for a lot of information or reviews for watches nor shoes. The type of products for which I usually care more about getting opinions, those I get informed about are products like face moisturisers or makeup products, mostly I go and read how people value the ingredients that compose these products. In the fashion sphere no. I mean, If I like a watch, then I just like it, that’s it. This is also because usually products of which I see advertisement, or those items I want to buy, don’t have such a high price where I think ‘ok, it’s better if I inform myself about it’. It’s just a pair of shoes.”* (Interviewee D).

*“Yes. I look for information, but I may depend on the type of product. If it is something a bit more expensive, were I need to invest more money, then I put more attention in the purchase. And this happens especially for electronic products or items of which I make a functional use. Also shoes are functional, but for a keyboard, headphones and so on I always go to check reviews on YouTube or comments on Amazon. For what regards*

*shoes and watches I usually am less careful. If they are really expensive yes [I pay attention]. But if it doesn't cost too much I take it thinking that even if it doesn't last really long or breaks, I don't care. This is for example what I was thinking when buying my Daniel Wellington watch, it's not a Rolex. It's just a fashion item.” (Interviewee H).*

When choosing between alternatives of products, once again some of the respondents said to really take inspiration by the items they see advertised by influencers. Others on the contrary stated the exact opposite, as they don't like this type of promotion. But besides this preference of the single Millennial, all of the interviewee said to conduct some online research about the shoes and watches offering and then to choose either based on someone's suggestion or based on their previous experiences. Electronic-word-of mouth seems to be one of the most reliable sources of suggestions for Millennial consumers, because it is perceived as more authentic and genuine, especially if coming from someone not famous who just wants to state its opinion on a product (as it happens in e-commerce websites). But the majority of respondents stated to get inspired by what influencers advertise and to rather trust their advices. Anyhow, in this stage the sector and the type of product did not seem to have any influence: shoes, watches and any other product were considered as all providing the same type of purchase decision effort.

*“I always watch [products or services which come up in the videos of famous YouTube bloggers]. But I almost never buy. But for example I really like to take inspiration from videos. Even better if the blogger doesn't directly suggest the product or service. I myself maybe notice something that is in the video and then, if it interests me, I search for more information about it. Of course often there is the link to products and services mentioned directly under the video and you can easily find them through it. But this way YouTubers are not directly selling to you the product. It is a more subtle way. It's really similar to what happens on TripAdvisor. I watch for comments of people and consider their reviews as more authentic; because they are 'no- one' and they are not paid to do it”. (Interviewee F).*

*“I often base my choices on what influencers do. There are some influencers that I trust more, although I know deep down that they are paid. Therefore it is obvious that they tell me that a product is good. But some of the influencers do always state that they test products before reviewing and suggesting them. Therefore I believe them and I trust this influencers more. And yes, if I don’t find any other review of the product than I think that this information is enough, it’s good that I entrust someone that doe reviews. This way I try to interest myself more in what I am going to buy. This is valid in general but also when it comes to shoes and watches”. ( Interviewee A).*

Regarding the stages of purchase decision and the decision itself, as stated, Millennials reported not to really engage with social media. They might still change their mind or ask for further suggestions, but these are usually coming from an off-line environment, a physical and tangible contact which is not mediated by Web 2.0. Indeed some of the interviewees reported some trust issues towards social networks’ opinions.

*“In a physical shop I usually ask for opinions, it comes to me automatically. Online no. I don’t trust it. In that case I prefer to take the decision by myself.” (Interviewee E).*

*“I always need the suggestion of someone. But of a friend, not an influencer. I don’t ask on social media. And I never check last minute, because I have already decide previously.” (Interviewee A).*

*“All I can do last-minute is a check of the prices. In the moment I already want to buy a product I can maybe check if a new offer has come out. But generally if I have arrived till that point [of the purchase decision] it’s because I anyway want it [the chosen product]. Also because if in the end I would buy a wrong pair of shoes.. I will survive. Or I might send them back. It’s not the choice of my life, I can risk it”. (Interviewee B).*

For what regards the final stage of the Millennials’ purchase decision process, answers were really divergent. The majority of interviewees claimed not to be active in contacting brand, but not because they don’t think about doing it or because they don’t

value this activity. Most of the ones answering negatively claimed indeed that they don't contact brands because they 'feel embarrassment' or because they perceive it as uselessness given brands low reactivity.

*"I never use media in this way [to contact brands]. Maybe I will do it in the future, but for now I never did. [...] Because I feel embarrassed."*  
(Interviewee H).

On the contrary, the reasons why Millennials contact brands via social media are multiple. For example interviewee D claimed to use social networks just to get more resonance. Posts and other types of written comments on these platforms are public and readable by everyone, they are not like a private communication between brand and consumer. Therefore they might have a greater impact on a company's image, who therefore pays more attention to this situations.

*"[I contact brands] because I have noticed that by writing directly to brands, for example through private Messenger message or through customer service, it doesn't make any changes. It's useless. Therefore, the way to make companies listen to you and to receive even just an apology – because not always you want a reimbursement or I don't know what else – is to write publically. I mean by commenting under the brand's Instagram photos, by writing posts in the brand's Facebook wall, by making yourself be noticed by the companies. And in a certain way by destroying their reputation in those thirty seconds in which my post will be read. Your message is indeed there [on Facebook or Instagram] and everyone can read it."* (Interviewee D).

Among those who stated to be active in this phase, moreover, most respondents admitted to contact brands mostly for negative feedbacks and less for the positive ones. The explanation for this phenomenon is that negative impressions tend to leave a more noticeable impact. Consumers always have some kind of expectations about the products they buy, which are often higher than what the product reveals to be in reality. In this case of unmet expectations, consumers may try to engage the brand in order to let them know their dissatisfaction and search for a solution. On the contrary, when they

are happy with an item they don't necessarily feel the need to communicate it to the brand that sold it, because that action would not bring any change in their experience.

*“I usually tend to show more my complaints than my appreciations. Why this? Because I usually appreciate products at a medium level. If a product is really exceptional, like a shoe that changed my way of walking, yes [I may tell it to the brand]. But if it simply is a good product, as expected, then I don't write anything. In the moment when the product does not meet my expectations both negatively or positively, then I will go write to the brand. And therefore generally this happens in negative.”* (Interviewee G).

Finally, no one of the interviewees claimed to engage in any other type of activity during the post-purchase evaluation phase. This is a moment which is mostly lived off-line, a moment in which consumers experience their purchased item and formulate a new judgment. This judgment may be driven both by the experience of the product or by the positive (or the negative) contact that Millennials get with the brand (if they decide to contact it). It is the creation of a new perception that will certainly influence successive purchase processes and maybe create a new flow of electronic-word-of-mouth.

*“I once bought a watch of the brand Cluse. a watch that is so much advertised on social media and especially through influencers. [...] After just some months I had a problem with the wristband [...], so I decided to contact the brand. [...] They were so careless and not helpful in anyway. I was just giving them a feedback but they didn't care and were absolutely rude. Well, I loved my watch and really liked it... but I now hate the brand. I will never ever buy from them and I already told all of my friends not to make my same mistake. Because such a brand isn't worth any of my money nor of my consideration.”* (Interviewee A).

*“I have both positive and negative examples. For example Cannamela, the spices brand. This company had probably a server problem and I continued to receive their spam emails non-stop. Since I was really angry and desperate, I wrote them and asked to solve the issue. They, so nice,*

*immediately apologised and sent me a little products box for free, in order to excuse themselves. I was so pleased that currently I only buy Cannamela spices.”* (Interviewee G).

In conclusion, social media don't play a strong role for everyone during this last phase, but it is linked to the studied concept of perception. We know that the purchase decision process is not linear and rather circular, and that it tends to re-start from the beginning after the post-purchase evaluation stage has concluded. The post-purchase evaluation is always the last stage and, together with the purchase moment phase, it never misses from the process. The other phases, however can be skipped. Therefore, in case a consumer would be fully satisfied by a brand, it might be that next time he or she ignores completely the information search and the evaluation of alternatives. The consumer might directly go and buy the same product as before. Or on the contrary he or she might decide to never buy from that brand anymore. Therefore companies should really take care of their consumers in all the stages of the purchase process, and they should work in order to build the best image of themselves in the consumer's eyes.

## **6. SUMMARY AND CONCLUSIONS**

This chapter concludes the master thesis summarising and explaining the findings of the study, in order to present the obtained new knowledge. Initially it outlines the results of the empirical research, linking them to the previously introduced theoretical framework; at the same time the principal findings are highlighted for the purpose of answering in a clear and direct way the research questions. Subsequently, the chapter reflects on the managerial implications of this study, giving practical recommendations for companies and marketers interested in the topic of social media advertisement. Finally, after making some conclusive considerations, the chapter discloses its limitations and gives suggestion for the development of future studies which could deepen those aspects which were not explicitly taken into account in the writing of this thesis.

### **6.1 Summary and key findings**

The research had the aim to create more knowledge and understanding of consumers' behaviour in relationship to social media marketing. Its main purpose was to analyse how consumers change their perception of a brand or a product under the influence of social media, and also how they behave during their purchase decision process, when guided by social media advertisements. The studied segment of consumer was the one of Millennials, a generational group considered to be international and not affected by other demographics such as gender, occupation and educational level. However, during the empirical part of this thesis, the sample (chosen on a voluntary base) turned out to be composed exclusively by European Millennials, mostly born in the latest half of the period of time which characterises the generation. This trait did not represent a major limitation for the research as Millennials can be considered as a whole group, not subdivided into diverse categories, in which every member shares common beliefs, values and interests.

The specific questions of the study were “to which extent can social media variate a consumer's perception of products and brands?” and also “during which stages of the

purchase decision process do social media influence the most Millennials' consumer behaviour?". These questions, together with the linked research objective, guided the research which had an explanatory purpose and a deductive approach.

From the literature review, as critically analysed in the second and third chapters of the thesis, we were able to create a theoretical framework which aimed to link social media with both the component of consumers' perception and consumers' purchase decision process. Therefore, aiming to test the presented model of consumer behaviour, the study collected data through both a quantitative and a qualitative method which was subsequently analysed in order to find key aspects of the social media influence.

Quantitative data were collected through a questionnaire which had the purpose of gathering a high number of data in a short period of time, in order to create a first superficial understanding of the phenomenon and be able to direct the subsequent – more in detail – qualitative data collection. The outcomes found through this survey strategy confirmed for most part the theoretical background and highlighted also unexpected consumers' reasonings. The latter resulted to be interesting and were further analysed when directly speaking with Millennial consumers.

Qualitative data was subsequently gathered through eight semi-structured interviews, which gave the researcher great flexibility and the possibility to move the conversations towards topics she considered to be more relevant and worthy of further exploration. These were conducted face-to-face in person or via video-call enabling the vision and the understanding of consumers' emotions, feelings and doubt. Results of the interviews confirmed the previous ones received from the questionnaire and highlighted differences between consumers' behaviours. They showed how much diversity there can be within the same category of consumers and therefore how important it is for marketers to tailor their advertisement on the specific individual needs.

As claimed in the previous chapters, part of the empirical research was collected using the sectors of footwear and watches as example markets. This was done just to simplify the collection of data and give a general background to the interviewees, a reference



point on which they could base their reflections. Nevertheless, the focus of the study was not on these two industries, but rather on the general market environment and the overall relationship of consumers with social media, when engaging in a purchase of any kind. The decision not to have a target market for the conclusions of the study was driven mainly from the fact that consumers nowadays don't perceive different sectors to be so distant one from the other. For them to buy a watch or a pair of shoes is almost the same activity, both because those are items belonging to the common category of fashion, but especially because they don't need an extensive money investment. Although we described consumers to be more conscious about their purchases in the last years, apparently Millennials distinguish very well among products of a higher price or luxury, which need more attention and information search, and products of medium-low price, which are worth the risk since they can always be replaced.

Perception has been described in the theoretical chapters as the process through which consumers give meaning to their sensations. Contrary to expectations, the greatest influence that consumers perceive has emerged to be on the brand and not on the product itself. Indeed consumers tend to remember quite often both the positive and the negative experiences they had with brands linking the idea that they have of the company to all its products. Therefore the perception they have of a brand does strongly influence the whole purchase decision process, leading consumers to pay less attention or even skip completely some of the six stages.

Millennials have a higher awareness of their exposure to stimuli when using social networks. It indeed emerged that advertisements on these platforms are positioned above the absolute sensory threshold. But still, the overexposure to this stimuli makes it more difficult for consumers to pay attention to any particular one of these commercials. Most of our interviewees stated indeed that they almost never pay attention to advertisements on social networks, they may just skip them or, on the contrary, get quite annoyed by them and trigger a negative reaction like the refusal of that particular brand.

One way to get this stimuli above the differential threshold seems to be the use of influencer endorsement. Most respondents indeed seemed to like that kind of

advertisement and they claimed to trust those people, because they feel there is more connection with a physical person who shares with them some interests and that embodies a kind of lifestyle that consumers seek to achieve. Therefore, the perception of a brand can get linked to the lifestyle that the influencer is showing and it can lead Millennials in trusting more the company, both because its products are used by entrusted people and also because they recognise the products as a means to achieve the same lifestyle of the influencer. Unfortunately not everyone has the same idea about influencers, therefore companies should not use just this kind of marketing strategy. For those people suspicious of influencers, to see a product being over-advertised can indeed trigger a negative perception, making them completely distrust the brand. Those kind of people believe tend to be more rational and they believe more in genuine and authentic comments coming, for example, from electronic-word-of-mouth. These people demand a more effective use of big data and, therefore, a higher personalisation of the marketing activities. Their perception is indeed not less influenced by social media, but it is more difficult to be changed through a direct marketing intervention. It usually is shaped by situations that are out of the control of the marketers, like any type of communication between users of the social networks.

Millennials claim that quality of the product is not the most important variable when evaluating a purchase. What they really perceive as being influential is the overall image of the brand, the brand equity. This perception of a higher or less higher brand equity is strongly influenced by social media especially when considering consumers' trust and distrust in influencers. But another aspect that emerged to be very important is the direct communication between consumers and brand on the social platforms. Indeed, Millennials reported to have an especially marked selective distortion and selective retention of stimuli when they had personally experienced a contact with the brand. Negative communication drives Millennial consumers to stop buying every product from the brand and to probably initiate a flow of electronic-word-of-mouth in which they share their opinion of the brand and advise everyone else against having their same experience. On the other side, if a consumer perceives the company to be friendly and helpful, he might even become a loyal consumer and spread among his or her networks

the positive image of the brand. In both cases consumers will remember the company for more time.

Regarding the purchase decision process, the different stages have been analysed separately to better understand where social media play a stronger role (Table 5). It emerged that the phases in which Millennials are mostly driven by their social networks' opinions are the stages of information search and the evaluation of alternatives. Also in the initial recognition of needs the networks play a relatively high role, but this is less recognised by Millennial consumers who as said, live in a state of information over-exposure. The last stage, the one in which consumers experience the purchase post-evaluation is not directly influenced by social networks; but in many cases, especially for the type of more rational and engaged social network users, we can define this phase as the one in which Millennials themselves create information on social networks and shape the in perception of others.

**Table 5.** Findings of social media influence on consumers' purchase decision process.

<b>Purchase decision stages</b>	<b>Average level of influence</b>	<b>Type of consumers more influenced</b>	<b>Most effective means of influence</b>
<i>Problem recognition</i>	Medium	Everyone	Personalised advertisements, special offers and subtle influencer marketing activities
<i>Information search</i>	High	Mostly rational and less credulous Millennials interested in gather their own information about products without being too much affected by influencer endorsement	Influencer endorsement marketing for consumers who trust influencers and for products which have a high fashion component; more subtle marketing activities witch aim at directing e-wom for consumers less credulous; blogs and review activities for products with high technological components or high price

<i>Evaluation of alternatives</i>	High	Mostly trusting Millennials who like and believe in the words of influencers, seeking to emulate their lifestyle and perceiving them as close friends	Influencers showing a particular type of lifestyle and mass advertisements for consumers trusting influencers; subtle marketing through a not so evident social media advertisement presence in order to get the attention of people who mistrust influencers' honesty
<i>Purchase decision</i>	Low	Almost nobody	-
<i>Purchase moment</i>	Low	Almost nobody	-
<i>Post-purchase evaluation</i>	Medium	<i>It is the other way around</i> Active social media users, more confident and proactive consumers, publicly engage with brands in order to influence their social media image and spread a message to the whole network	To influence consumers who engage with them brands need to be helpful and friendly. This will create loyalty and a positive image. If give Millennials a bad perception, this creates e-wom through which consumers can negatively influence the Web

The first stage of the process is the problem recognition. Similarly to what described in the paragraphs about perception, Millennials are aware of all the advertisements that they are exposed to on social networks. They all affirm to notice commercials or other type of ads, but they also think that these are not interesting and enough focused on their needs or desires. At the same time when Millennials' attention is caught by an advertisement on the networks, this immediately receives a reaction that can be positive, but also negative. A positive reaction happens when consumers notice an ad of something that they are interested into and they decide to search for further information about it. The negative reaction is instead less common and sometimes pushes consumers with a negative relationship towards media to oppose the brand, even if just for some smaller period of time. But in both cases marketers achieve their intention: consumers become aware of the product. Moreover what happens even more often is that by seeing the commercial of a specific product, consumers don't always focus their attention on

the brand, but just on the general category of product. Therefore if Millennials see an advertisement of footwear, they might be triggered in wanting to buy shoes, independently from what brand was shown in the ad. This highlights how social media can actually influence the problem recognition of consumers, but without always giving marketers the expected success. Sometimes the brand is not visible enough and it fades into the background.

The phase in which consumers search for information is one of the two moments in which social media play the highest influence. In this particular stage, the consumers which have a more active role are those more rational and less credulous. Indeed, from the research of this study it emerged that Millennials are pretty much divided into those who like and trust social media influencers, and those who dislike and mistrust the category. People trusting the word and the activity of influencers gets persuaded more easily, while the others prefer to search for information by their own, maybe by reading posts, watching single interviews, examine blogs and trusting comments coming from other social network users (not influencers). In any case, every Millennial uses social networks to search for some type of information on products. Their engagement in the activity and their attention to the gathering of more or less data, can be led by the type of item they want to purchase. Consumers pay more attention to those products where there is not only the component of design, but also a high element of usage and functionality. For example if it is a fashion item the engagement is usually low, while it is higher for skincare products and high-technology items.

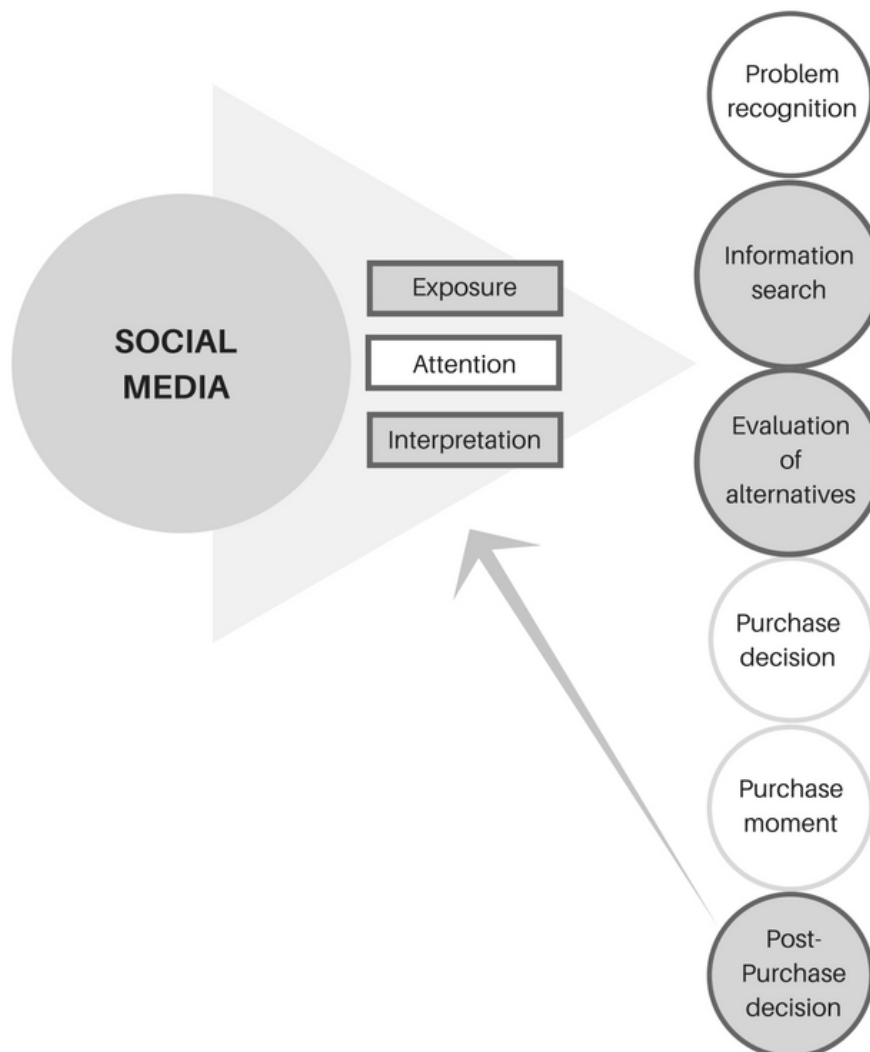
During the evaluation of alternatives consumers have already gathered enough information and just need to evaluate the alternatives. On the contrary of what happens for the previous stage, in here the highest influence is perceived by those consumers who are less rational and like to get suggestions from others. Millennials who believe in influencers will most likely form an idea of the products based on what these people tell, they will therefore trust more particular items that are highly advertised on the media. But the advertisement should not just be a brand commercial, it should feature some physical person and be done through influencer endorsement. The more rational Millennials do instead trust more suggestions of unknown persons on the networks or,

otherwise, they will rely just on their own information collection. Overall, most Millennials said to have some trust issues towards social networks, but in the end they all take the risk because they perceive it not to be really high when purchasing products of medium-low price, such as a watch or a pair of shoes.

The purchase decision and the moment of purchase have resulted not to be highly influenced by social media. These are steps which might get influenced, but usually not in the online environment. Millennials do indeed have so much information at their disposal that they are able to completely form an idea and take a decision without further feeling the need of verifying their purchase at the last moment.

Finally, the post-purchase evaluation stage varies a lot depending mostly on the consumers' personality. Some Millennials do indeed like to contact brands and communicate with them on social networks, others instead would like to act this way, but are blocked by several reasons such as shyness and diffidence. Overall in this phase no consumer is highly influenced by social platforms, but it can happen that it is the network who gets influenced by consumers themselves. Moreover, consumers seem to engage with social networks during this phase especially in case their experience has been negative. What emerged from the findings is that Millennials usually have quite high expectations on products and brands, therefore they infrequently get an extremely positive impression. Purchased items are more often within the range of sufficient satisfaction or, apparently quite often, below the satisfaction level. In the latter case, those consumers who are more active social network users and present a stronger willpower decide to try to change their 'dissatisfactory situation' by contacting brands and ask for apologies or even solutions. Millennials are aware of the power of brand image; therefore, they exploit social networks to publically express their judgment regarding a company, knowing that by acting this way their message will be more powerful. Indeed Millennials have noticed how companies are more prone to communicate with consumers by means of social networks. This aspect is very important for the success of a company for the reason that, when the communication is done in the correct way, brands might even succeed in creating relationship of loyalty between them and their satisfied client.

To conclude, we can answer our initial research questions by stating that social media have a high influence on all aspects of the Millennial consumers' perception, and that the latter affects the purchase decision process especially in the phases of information search and evaluation of alternatives. It is eventually in the post-purchase evaluation stage that consumers formulate further ideas and sensations about the products they have consumed; this way they create a new perception which, if shared with their social networks, can trigger a further and new purchase process by other network users. Therefore, the initial theoretical framework was tested and resulted valid. But, thanks to the key findings of the study, we made some changes to highlight the exact aspects in which social media are primarily involved (Figure 20).



**Figure 20.** Tested ad revised theoretical framework.

## 6.2 Managerial implications

The research findings of this study confirm most of the reviewed theoretical literature and bring along several managerial implications on the exploitation of social media by marketers. The study does indeed highlight the relationship between Millennials and brands from the consumer point of view, discussing the marketing activities they declare to be more effective and also the improvement possibilities that companies could implement in their strategies. In general, the research accomplished the goal of understanding the mechanisms behind Millennials' perception of brands and products under the influence of social media, and the effect that social media can have on consumers' behaviour during the purchase decision process.

For marketers it is important to understand consumers' mentality as this can lead to a better targeting and more effective advertisement personalisation strategies. Indeed Millennial consumers declared to prefer personalised commercial. The latter shouldn't show an evident 'privacy violation', as for example promotions immediately following the writing of a comment on social networks. Companies should try to use big data in order to tailor their advertisements on the different Millennials, also trying to understand if the particular consumer is someone who is neutral to advertisements or if he or she tends to have a negative reaction to it.

The use of influencer endorsement marketing seems to be one of the most effective activities able to change consumer's perception and affect their buying decisions. This strategy is not only highly effective, but also economically convenient. Therefore companies should try to shift their endorsement activities from big celebrities to Instagram or YouTube personalities, who are perceived as more real and trustworthy by Millennial consumers. But at the same time it is also important not to exaggerate this activity. Indeed Millennials like originality and they might get bored from items that are over-fashionable and worn by everyone. Moreover every consumer – not just those who don't like influencers and mistrust their word – seems to get a higher influence by a subtle social media marketing activity, in which products are indirectly spammed on every social media, without being perceived as proper advertisement.



For what regards consumers less influenced by social influencers' activities, companies should try to direct electronic-word-of-mouth in a way which would advantage their brand equity. This can occur through direct communication with clients. Indeed companies need to be friendly and helpful in the post-evaluation phase of the consumer purchase process. They need to create a positive relationship and give consumers a good impression not only of their products, but also of the overall brand. Extremely important is to provide effective post-purchase services and to have a well-working customer care service management. This would lead to the loyalty of Millennial consumers, who would share their positive experience with their social networks and start a new flow of electronic-word-of-mouth. A negative experience in this phase would on the contrary start a negative flow of electronic-word-of-mouth capable of seriously damage the image of the brand.

Finally, companies should work on better positioning their brand above the differential sensorial threshold. It has been proven that consumers do notice stimuli coming from social media, but most of the time they don't pay any attention to them. And in the cases where consumers' attention is eventually caught, often what is noticed about the advertisement is only the general sector of the product represented. The brand sponsoring that particular product is too often just in the background and therefore not registered by the mind, or immediately forgotten. Important is therefore that marketers work not only on generating the right kind of stimuli, they need to be able to pass a message completely centred on their brand, able to gain the consumers' selective retention.

### **6.3 Limitations of the study and future research suggestions**

As every other study, also the research presented in this master thesis has some limitations and aspects that could be further studied under different point of views and in more detail.

The sample, as already mentioned previously, cannot be generalised to the whole population, given its reduced dimension and because of its non-heterogeneous composition. In the theoretical part of the study we stated that Millennials are consumers coming from all over the world, and that we wanted to concentrate mostly on those with a 'western' mentality. The used sample did instead reflect only the behaviour of European consumers. Consequently, to further study Millennials of other regions could be interesting, in order to see if there are major differences among Millennial consumers living in different parts of the world. Moreover, our sample was composed mostly by 'young' Millennials and it did not consider those who were born ten years earlier. Of course to be able to generalise the data, also the ages of the various members of the generation should have been more representative of the whole group. Indeed there could be differences in the behaviours of younger people, who are still students and without a fixed income, and people who are in the working world since many years, maybe economically sustaining a family of their own.

For what concerns the markets considered in the study, we based the research only on the businesses of footwear and watches, although we then generalised data to every market. We did it claiming that the two chosen businesses served only as an example, they were useful to create a background in which the interviews were set. It would be interesting for further studies to analyse other type of markets, for example those not related to fashion, in order to see if the findings remain the same or if they change. Moreover, as consumers claimed to perceive a greater difference in high-priced products or products with a really high functionality, it could be a suggestion for other researchers to analyse the luxury market or businesses in which the technological and digital components are characterising.

As we acknowledged in the theoretical delimitations of the study, consumer behaviour is a wide and broad topic. This research analysed only the component of perception, although there are many other variables which can have a significant influence on consumers, and it would be interesting to analyse them. Moreover, further research could focus in depth on the psychological study of this matters, since this thesis was treated only under a managerial point of view.

Finally, we recognised the presence of a high variety of consumer behaviour models and different processes of purchase decision. We also admitted that the one followed in this thesis is referred to a more 'classical' consumer behaviour, while digitalisation and Web 2.0 may have changed the way in which consumers today relate to the purchase activity. Other models of a more dynamic nature could be better related to the digital consumer behaviour and could therefore give a different point of view on the same topics. Therefore a final research suggestion is the analysis of the findings of this thesis through comparison with a different and more 'digitally driven' theoretical framework.

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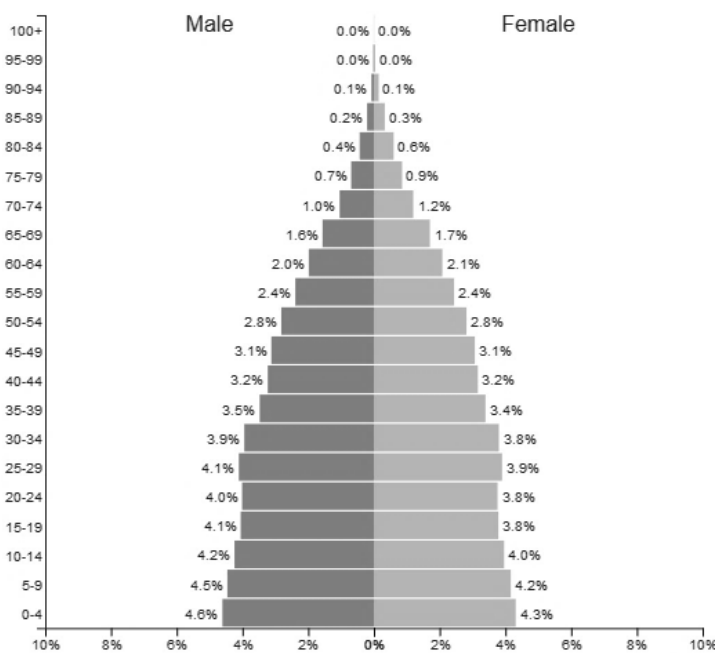
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**APPENDICES**

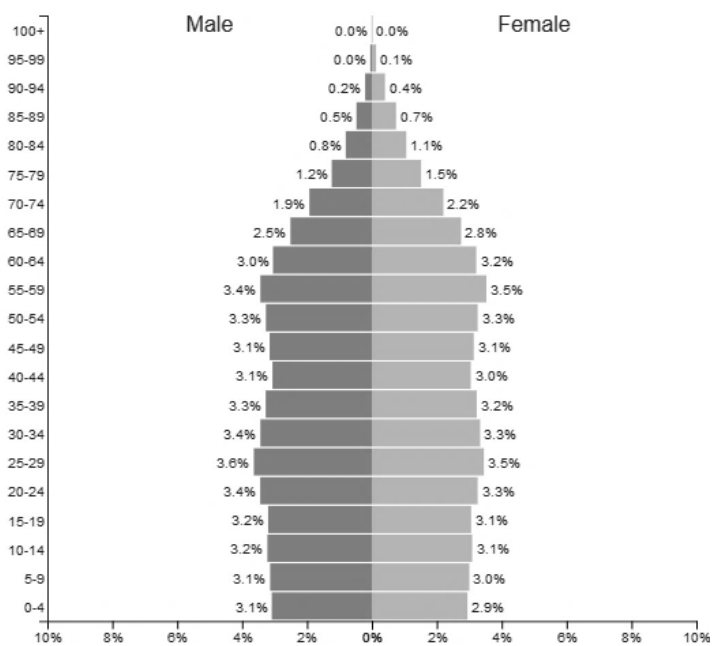
**Appendix 1. Population pyramids**

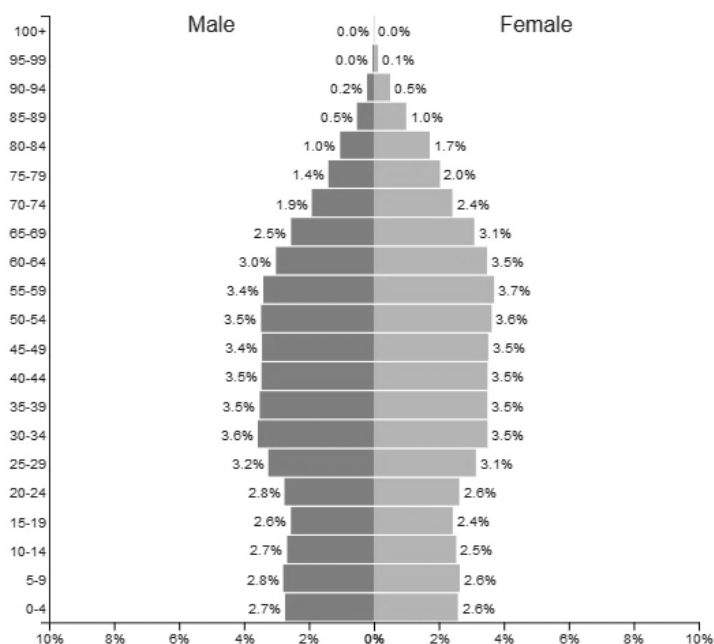
Population of the World, population of North America and Population of Europe (Population Pyramid 2018).

WORLD



NORTH AMERICA



EUROPE**Appendix 2.** Questions of the survey

- 1) What year were you born in?
  - 1980 – 1984
  - 1985 – 1989
  - 1990 – 1994
  - 1995 – 1999
  
- 2) Gender
  - Male
  - Female
  
- 3) What is your current employment status?
  - Employed full-time
  - Employed part-time
  - Unemployed and currently looking for work

- Unemployed and not currently looking for a job
  - Student
  - Student and worker
- 4) What is the highest degree or level of school you have completed?
- Less than a high school diploma
  - High school degree or equivalent
  - Bachelor's degree
  - Master's degree
  - Doctorate
- 5) Where do you come from?
- USA or Canada
  - Latin America
  - Europe
  - Australia or New Zealand
  - Other (which country?)
- 6) Have you ever lived in a "Western Country"? [USA or Canada, Europe, Australia or New Zealand]
- Yes
  - No
- 7) Where? (multiple choice possibility)
- Europe
  - New Zealand or Australia
  - USA or Canada
- 8) How many years have you lived there on the whole?
- < 1 year
  - 1 – 2 years

- 2 – 3 years
- 3 – 5 years
- > 5 years

9) How many active social network accounts do you have?

- 1
- 2 – 3
- 4 – 5
- 6 or more

10) Which social networks do you use? ( multiple choice possibility)

- Facebook
- Youtube
- Spotify
- Instagram
- LinkedIn
- Tumblr
- TripAdvisor
- Snapchat
- Twitter
- Pinterest
- Telegram group chats
- Flickr
- Google+
- Other

11) How often do you check your social networks?

- Less than once a day
- Once or twice a day
- At least five times a day
- Regularly every hour

- Almost every minute
- 12) Why do you usually use social networks? (multiple choice possibility)
- To communicate with people you already know
  - To follow people (also those you don't directly know)
  - To share your ideas and comments about various topic (politics, health, brands, ...)
  - To communicate with brands and share your opinions about products
  - To research information about products, events or services
- 13) How often do you use social networks to get information about products?
- Never
  - Sometimes
  - Regularly
  - Often
  - Always
- 14) Do you trust the information coming from social networks?
- Never
  - Sometimes
  - Regularly
  - Often
  - Always
- 15) When looking for a generic product, do you search for suggestion on social networks?
- Never
  - Sometimes
  - Regularly
  - Often
  - Always



16) Do you change your mind about a product because of the suggestions of social media?

- Never
- Sometimes
- Regularly
- Often
- Always

17) Which type of brands do you value more?

- Those not strongly advertised on social networks
- Those strongly advertised on social networks
- It doesn't matter

– THE ADVERTISEMENT OF WATCHES

Please have a look at the images.

Daniel Wellington (left image) – Swatch (right image)



18) Have you ever seen one of these two brands advertised on social media?

- Daniel Wellington
- Swatch
- Both
- None

19) Which one of these two watches do you perceive as higher quality?

- Daniel Wellington
- Swatch
- None

– THE ADVERTISEMENT OF FOOTWEAR

Please have a look at the images.

Converse (top image) – Levi's (bottom image)



- 20) Have you ever seen one of these two brands advertised on social media?
- Converse
  - Levi's
  - Both
  - None
- 21) Which one of these two watches do you perceive as higher quality?
- Converse
  - Levi's
  - None
- 22) Do you feel the need of buying a product while scrolling social media?
- Never
  - Sometimes
  - Regularly
  - Often
  - Always
- 23) Do you feel like you don't need a certain product, but you want it because of the influence of social media?
- Never
  - Sometimes
  - Regularly
  - Often
  - Always
- 24) After deciding to buy a product, do you change your mind due to last-minute social media influences?
- Never
  - Sometimes
  - Regularly

- Often
  - Always
- 25) After purchasing a new product, do you share your opinions on it with your social network?
- Never
  - Sometimes
  - Regularly
  - Often
  - Always
- 26) Do you contact brands on social media to give them feedbacks about the purchased products?
- Never
  - Sometimes
  - Regularly
  - Often
  - Always
- 27) Do you provide brands with suggestions to improve their product?
- Never
  - Sometimes
  - Regularly
  - Often
  - Always

- In case you would be willing participate in a further interview on this topic, please leave here your e-mail. We would very much appreciate your help!

The type of interview we are seeking to carry out will not be very long, it should take around half an hour or forty-five minutes, and it can also be divided into two separate sessions. The type of interview will be very informal and

completely based on your experience as a consumer, therefore -once again- it will be based on your behaviour while purchasing several items, shoes and watches in particular.

We would like to do this conversation in person, but also Skype is a perfect tool to conduct video-calls.

Lastly, your participation to the interviews would be anonymous and your responses will not be connected to your persona.

Unfortunately this is just a university project and we are not able to promise anything in return for your help. But be sure that by participating you would be forever remembered!

### **Appendix 3.** Questions of the semi-structured interviews

#### – CONSUMERS' PERCEPTION

- 1) Please open one or two of your social networks and look specifically for advertisement. Do you see a lot of it? And what are your thoughts regarding the presence of all that advertisement on social networks? Do you usually notice it and stop to better understand the advertisement or do you try to skip it?
- 2) When do you think social media advertisement is more effective in reaching your attention? Why? Can you please try to relate your answers specifically to the footwear and watches markets?
- 3) Do you prefer when information is shared by the brands' official page, if you get it from an influencer or if it comes from electronic-word-of-mouth? Why? Do you feel the same for information about shoes and watches?

- 4) In the questionnaire you had to tell if you perceived Daniel Wellington or Swatch as the highest quality watch. Which one did you choose and why? Do you think that having seen the product, or not having seen it, on social networks (e.g. wore by influencers on Instagram) has shaped your answer? Could you try to give me an answer to the same questions, but regarding the footwear case with Converse and Levi's? Do you think that your overall perception of the brands themselves (not just the products) may have played a role in your answers?
- 5) Have you ever made yourself an idea about a brand you never personally experienced, but you saw it advertised on social media? Can you give me examples of it regarding shoes and watches?
- 6) If you have ever directly contacted a brand through social media, did your idea of that company change because of your communication experience? Do you have any examples referring to the footwear or watches markets?

– THE PURCHASE DECISION PROCESS

- 1) How often do you see shoes and watches advertised on social networks? Have these advertisements ever triggered your desire to buy a new pair of shoes or a new watch? Do you have any particular reason for thinking this way?
- 2) Are you someone who likes to watch Youtube videos, read blogs, listen to others' opinions on social networks... when interested in knowing more about a particular pair of shoes or a specific watch?
- 3) Do you think that you might be easily influenced by others opinions on social networks when deciding to buy a particular pair of shoes or a specific watch? Is there an influencer who you follow and like, whom you usually believe about product reviews? Do you see an advantage in behaving this way?

- 4) Are you someone who asks for help when taking buying decisions regarding shoes and watches? Do you re-check your decision directly before a purchase?
  
- 5) After testing new products that you just bought, do you like to reach out to brands in order to tell them about your satisfaction or dissatisfaction? Do you usually use the networks just for complaints or also positive feedbacks and suggestions? What do you think is the advantage of doing this? Can you think of any example of your experience regarding a footwear and watch post-purchase experience?