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Shu Schiller

Wright State University, shu.schiller@wright.edu

Kevin Duffy

Wright State University, kevin.duffy@wright.edu

Vikram Sethi

Wright State University, vikram.sethi@wright.edu

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Serving Young Adult Online Consumers: the Transcendental Role of Social Media

Shu Schiller
Wright State University, USA

Kevin Duffy
Wright State University, USA

Vikram Sethi
Wright State University, USA

Abstract

Young adult consumers today are transforming the e-commerce arena by creating new means of doing businesses such as social commerce or social e-shopping. Our research pivots round an in-depth qualitative study that explores the meaning of the lived experience of young adult consumers who use social media for online shopping. Individual and focus group interviews were conducted in the U.S. and China. In total, we recorded 437 minutes of interviews with young adult consumers. These audio recordings are now being transcribed and the text transcriptions will be coded and analyzed using Atlas.ti. We expect to understand and be able to interpret the essences of young adults' online shopping experience, an experience in which social media provides a unique channel to construct the social experience of shopping. This role of social media is perceived as transcendental. In other words, it is not the social media itself that fulfills the social perspective of online shopping. Rather, for young adult consumers, the essences of social commerce reach beyond the media; they are bounded to the meaning, comprehension, and perception of the content and the pattern of information exchanged related to online shopping and the message reflected and interpreted by its receivers.

Keywords: Young adults, Service, Online shopping, E-commerce, Transcendental, Social media, Social commerce.

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INTRODUCTION

Young adults, sometimes called the digital natives, generation Y, or Millennials, are characterized by natural keenness to modern technologies in their daily life. Despite their young age (16 to 24), this group of consumers form the modern buying force that challenges traditional thinking and assumptions about e-commerce and transforming how business should be conducted in the 21st century. The group has led to the global phenomenon that young adult consumers are co-producing and embracing new means of doing business such as mobile commerce, group purchasing (Wei et al. 2011), and social commerce or social e-shopping (Dennis et al. 2010).

With the ample amounts of new business opportunities come many important questions. For instance, little is known about how exactly young adults today use technologies, especially social technologies, when shopping. How do young adult consumers decide what to buy and how to buy online? What media channels do they use when making such decisions? How are social online ties with friends and families influencing their decision-making? More importantly, how should businesses serve young adult consumers? For businesses, there is extreme strategic importance attached to gaining an understanding of young adults; this presents an enormous value to companies and organizations that are pursuing success and profits in today's commerce market.

Taking today's dynamic business environment into consideration, in this research study, we follow the phenomenological research methodology to describe the lived experience of young adult consumers who use social media in online shopping. More specifically, we aim to understand and describe "What is the context and content of the experience of young adult consumers whose use of social media influences their online shopping decision-making and behavior?" In other words, we hope to describe what it is like for young adult consumers today to shop online when their experience involves social media. We expect our research findings to uncover and demonstrate the essences of such unique experience.

RESEARCH CONTEXT

"Young adults" in general refer to the group of individuals who have reached or are close to adulthood through those who are not much older than early twenties. The age range of young adults differs in different countries and regions and when used in different research contexts. For instance, the Department of Health of the United States defines young adults as those between 18 and 24 years of age. The United Nations defines 15-24 years olds as young adults. Some researchers define Generation Y, which in many cases is equivalent to young adults, as those born between 1981 and 2000, i.e. between 11 and 30 years old (Leidner et al. 2010). In Erikson's Theory of Psychosocial Development, the young adult age range is defined as 15-29 (Erikson 1950). In Dr. Ruben Rumbaut's research, young adults are defined to include those aged 18-34 where he also refines different stages of young adulthood as early transition (18-24), middle transition (25-29), and late transition (30-34) (Rumbaut 2007).

In our study, we consider young adults to be those aged between 16 and 24 for two main reasons. First, individuals aged 16 and 17, although not having reached legal adulthood of 18, have completed or are close to completing the major transition from childhood to adulthood, marked by profound physical, emotional, mental, and social changes. Therefore, these individuals are able to make certain types of decisions, similar to the ones made by adults. Second, the age of 24 is a well-accepted cut off point before reaching later stages of adulthood

when many adults start to get married and have children. At these later stages, individuals tend to form different points of view in making their decisions.

Technologies are seen to be an integral part of young adults' lives. Compared to older generations, young adults are much more closely attached to modern technologies. Many see this reflected in their code names such as the Net Generation and digital natives; young adults today "... are more comfortable, knowledgeable, and literate than their parents with an innovation central to society... through the use of digital media ... They are a force for social transformation." (Tapscott 2009, p. 3). The life style of young adults today is perceived as being fast paced with broad friends and acquaintances, dedicated to freedom and improvement of life and society, and extensively involving the use of electronic communication and online resources.

In reference to commerce, young adults today spend a considerable amount of time and money on online purchasing. According to Pew Research, in America nearly half (48%) of teens make purchases online; the percentage grows as age increases and reaches 75% with adults (Pew Research 2010). Other countries have observed similar trends. For instance, young adults in Australia spend about USD\$808 a week on average and the percentage of online purchases has been increasing in the past years (Australia Bureau of Statistics 2010). In China, about 200 million young adults aged 15-24 created a USD\$75 billion market (Yu and Zhou 2010) while the entire online shopping industry totaled USD\$80 billion in 2010 (BBC 2011).

The popularity of social media has left its footprint on business. With nearly four out of five active Internet users visiting social networks and blogs today (Nielsen 2011), social media are now viewed as tools for business to achieve organizational goals in the connected, social, business environment. Mainstream social media, including blogs, Facebook, Twitter, and LinkedIn (or an integrated collection of them), are now providing unique opportunities for business growth and success (Culnan 2010; Gallagher and Ransbotham 2010). The number of young adults who use social networking sites is fast increasing. In America, 73% of online teens now use social media sites, rising significantly from 55% in 2006 and 65% in 2008 (Pew Research 2010). Seventy-two percent online young adults use social networking sites and favor Facebook over other social media sites (such as Twitter and LinkedIn) (Pew Research 2010).

To young adults, thanks to social media, shopping is now a social activity (Dennis et al. 2010). Social media support relationships (Spiller et al. 2011), are based on which social commerce and social shopping "allow people to participate actively in the marketing and selling of products and services in online marketplaces and communities" (Stephen and Toubia 2010, p. 215). The concept of social commerce goes beyond clicking on the "buy" button to incorporate exchanging information with other online shoppers, discussing trends, and rating both products and services (BBC 2011). Through social media, the enjoyment and entertainment, which are significant benefits of shopping for consumers (Sit et al. 2003), are amplified and carry a ripple effect to other socially related individuals, both online and offline. This behavior has resulted in a challenging question which currently troubles online businesses: how to better serve young adults when more and more of them are shopping online, and socially? If the definition of service is "a time-perishable, intangible experience performed for a customer acting in the role of coproducer" (Fitzsimmons and Fitzsimmons 2005, p. 4), the answer may be embedded in understanding "coproduction." In other words, businesses need to understand how and why these online consumers behave in order to be able to provide more timely and relevant products and services to young adults. Therefore, the purpose of our research seeks to provide an understanding of how young adult consumers shop online today using social media so that this understanding can assist businesses in serving them better.

RESEARCH METHODOLOGY

Epistemology and Research Paradigm

To gain a rich understanding of the phenomenon of study, we adopt an interpretive field research epistemology and methodology. Interpretive research assumes “that our knowledge of reality is gained only through social constructions such as language, consciousness, shared meanings, documents, tools, and other artifacts” (Klein and Myers 1999, p. 69). In phenomenological studies, researchers generally attempt to understand phenomena through the meanings that people assign to them (Boland 1985), i.e. by interpreting the assigned meanings. Research focuses on the full complexity of human sense-making as the situation emerges (Kaplan and Maxwell 1994). Such sense-making has to be processed with the understanding and knowledge of the context of the situation. Contextual factors, including language, culture, and shared meanings, shape the world-view of participants, who in turn, also produce and shape the world (Pauleen et al. 2006).

Research Setting & Data Collection

By nature, an interpretive study is often designed to collect data in the field at the site where participants experience the issues or problem under study (Creswell 2009). To address our research questions, we recruited participants from two locations: one was a Chinese metropolitan city and the other was a city in the Midwestern region of the US. Participants were invited to either a focus group interview or an individual interview. Some of the individual interviews were conducted online through a Skype video call. The authors served as facilitators for the interview sessions. Each session was audio recorded. Two authors took notes at each session and wrote session summaries afterwards documenting basic information (such as participants and atmosphere) and commenting on how they felt each session went. In total, we had 42 participants attended 5 individual interviews and 6 focus group sessions, generating 437 minutes of audio recording (Table 1). The audio recordings, detailed session notes, and post-session summaries became the raw data for analysis.

Participants: Code Name	Location	Session	Audio Length (min)
SL	US	Interview	60
EG	US	Interview	35
DW	US	Interview	30
7 individuals	China	Focus Group	64
6 individuals	China	Focus Group	31
6 individuals	China	Focus Group	41
5 individuals	China	Focus Group	40
GN	China	Interview	13
5 individuals	China	Focus Group	49
LD	US	Interview	24
8 individuals	US	Focus Group	50
Total: 42 participants	2 countries	5 interviews, 6 focus groups	437 minutes

Table 1. Overview of Participants and Sessions

Data Analysis

Each interview or focus group session was associated with one audio file. In all, 11 audio sessions were recorded, for a total of 437 minutes. At this current time, four research assistants who are not familiar with the research study are transcribing all audio recordings to text files. One research assistant had previous experience with transcribing audio to text. All four assistants received training before they started transcribing.

Trustworthiness of our study will be evaluated following the four general criteria, Credibility (demonstration of appropriate, well recognized research methods), Transferability (provision of data to establish context of study to allow comparison), Dependability (involvement of outside audits to assess the completeness and suitability of the research process), and Confirmability (recognition of shortcomings and reduction of investigator bias) (Guba 1981; Shenton 2004).

Because this research study is “in progress,” the authors will ensure the trustworthiness from the following two perspectives while moving along with this research. First, the transcription of all audio recording will be completed in the very near future. Once the text files of the audio recordings are completed, Atlas.ti will be used for data analysis following qualitative data analysis procedures. Second, the bracketing technique will be adopted in the next phase of data analysis. Bracketing, a commonly used method by qualitative researchers, refers to necessity that researchers set aside his/her personal views and experiences to achieve an understanding of another’s experience (Moustakas 1994). Researchers bracket by becoming aware of his/her own prejudices and assumptions and removing them during data analysis (Katz 1983), to see the data in a relatively pure form that is “uncontaminated” by the researchers’ personal interference (Patton 2002).

EXPECTED FINDINGS

We expect our findings to provide insights into the understanding of young adults’ cognitive and behavioral activities relating to online shopping when involving social media. Thus, our comprehension and understanding of such phenomenon should generate genuine, original, and groundbreaking knowledge in this field. One expectation is that the role of social media should be transcendental, i.e. the experience of young adults shopping online is not reflected by the forms and structure of social media; rather, the meaning of the experience is socially and collectively produced by the content and the pattern of information exchanged related to online shopping and the message reflected and interpreted by the receivers. We hope to interpret our findings and provide implications for businesses to first empathize with young adults, then embrace and empower them to co-create business value.

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