

**EXPLORING GENDER'S DIFFERENCES ON PURCHASE INTENTIONS OF
PROTOTYPICAL AND ME-TOO BRANDS**

Vanessa Quintal¹

School of Marketing, Curtin Business School
Curtin University of Technology

Daniel Sims

School of Marketing, Curtin Business School
Curtin University of Technology

2009015

Editor:

**Associate Professor Ian Phau
School of Marketing**

**MARKETING
INSIGHTS**

**Working Paper Series
School of Marketing**

ISSN 1448 – 9716

¹Corresponding author:

Vanessa Quintal
School of Marketing, Curtin Business School
Curtin University of Technology
GPO BOX U1987
Perth, WA 6845
Australia
Tel (+61 8) 9266 7588
Fax (+61 8) 9266 3937
Email: Vanessa.quintal@cbs.curtin.edu.au

EXPLORING GENDER'S DIFFERENCES ON PURCHASE INTENTIONS OF PROTOTYPICAL AND ME-TOO BRANDS

ABSTRACT

The current study examines gender's differences on self-confidence, perceived quality, extrinsic attributes, perceived risk and purchase intentions of prototypical and me-too brands from a Generation Y perspective. A pen and paper survey was administered to 348 students at three Australian universities. Males held significantly higher perceived social/physical and financial/performance risks than females for the prototypical brand. Males also demonstrated significantly higher perceived social/physical and time risks than females for the me-too brands. However, males had significantly higher self-confidence in both the prototypical and me-too brands, and also higher purchase intentions for the me-too brands than females. Understanding the factors underlying Generation Y's consumer behavior is important due to their considerable consumption potential and the increasing sophistication of brands in the marketplace.

INTRODUCTION

There is a general consensus amongst researchers that Generation Y (Gen Y) ranges from 1977 to 1994 (e.g., Bartlett, 2004; Sullivan and Heitmeyer, 2008), making the cohort the largest demographic segment of consumers in most developed countries (Rugimbana, 2007). Gen Y consumers are more aware of their purchasing power and are likely to spend their cash as quickly as they acquire it, usually on consumer goods and personal services (Der Hovanesian, 1999). Shaped by Nintendo and MTV, Gen Y holds civic and hopeful perceptions along with grand ambitions (Marciniak, 2002). While susceptible to chronic boredom, short attention spans and mistrust of the media (Paul, 2001), they are early adopters of new technologies and are extensive internet users (Kumar and Lim, 2008). Gen Y appears to be fickle and contradictory (Bartlett, 2004). Yet, they are socially (Sullivan and Heitmeyer, 2008), environmentally (Harwood, 2002) and brand conscious, demonstrating willingness to pay more for brands that represent quality (Sullivan and Heitmeyer, 2008).

Prototypical brand leaders promise better quality, are conveniently packaged, more accessible and more responsive to after-sales service, giving them higher visibility

(Carpenter and Nakamoto, 1989), acting as entry barriers to followers (Lane, 1980) and making switching costs difficult for consumers (Schmalensee, 1982). Me-too follower brands are the result of the competition's efforts to gain market share from prototypical brands. With technology, me-too brands' responses to a prototypical brand are faster, allowing them to appear soon after the launch of a prototypical brand, thus shortening the phase in which a unique concept can expect to reap premium prices and high margins (Centaur Communications Limited, 2007a, 2007b).

A lack of understanding exists about the motivations behind Gen Y's consumption (Rugimbana, 2007), since the cohort comprises heterogeneous individuals aged between 15 and 32 years with diverse needs (Noble et al., 2009). Further, little is known about the marketplace behaviors of older, university-aged members of Gen Y (Martin and Turley, 2004). Given these gaps in the literature, the current study explores the motivations and perceptions of university-aged Gen Y consumers when choosing brands of consumer electronics. Specifically, we examine gender's differences on Gen Y's self-confidence, perceived quality, extrinsic attributes, perceived risk and purchase intentions of prototypical and me-too brands of MP3 players.

LITERATURE REVIEW

Socialization theory is the most common ground for understanding how young consumers learn to shop. The accepted definition of consumer socialization is the "processes by which young people acquire skills, knowledge, and attitude relevant to their functioning as consumers in the marketplace" (Ward, 1974, p. 2). Two themes of socialization theory are pertinent to the current study. The first emerging theme is the idea of "gaining freedom" through the use of products or specific consumption experiences. Young people are seemingly aware of their increasing knowledge of consumption, yet often struggle in the marketplace in light of their new role as consumer, independent of their parents and friends. The second emerging theme is the notion of "finding oneself." As young people mature and find themselves as adults, they back away from parental influence and try to determine where and how friends and reference groups fit in with the decisions they make (Noble et al., 2009).

Consumer self-confidence refers to the level of self-assurance a consumer exhibits in guarding against being misled or mistreated in marketing exchanges (Gerbing et al, 1994) and the degree of self-confidence a consumer displays in a particular marketing situation (Locander and Hermann, 1979). In specific marketing contexts when Gen Y consumers feel threatened or restricted to act, they may be motivated to restore their sense of autonomy (Noble et al., 2009) by asserting themselves and regaining self-confidence in a product or brand.

Perceived quality is an attitude that results from the comparison of consumer expectations with the actual performance (Parasuraman et al., 1985). More recently, Gronroos (2000) proposed that service quality be described in terms of attitudes and behavior, professionalism and skills, reputation and credibility, reliability and trustworthiness. Trust in a brand's ability to deliver technical and functional quality is likely to motivate Gen Y seeking value in the marketplace (Noble et al., 2009).

Consumers tend to rely on extrinsic or tangible cues such as a product's brand, physical appearance, purchase price (Dawar and Parker, 1994; Rao and Monroe, 1989) and country of origin (Fandos and Flavian, 2006; Kim, 2008) to determine its quality. When purchasing a prototypical brand, Gen Y consumers appear to derive comfort from its brand name and pricing to justify their premium purchase (Noble et al., 2009).

In consumer behavior, risk is viewed in terms of a potential perceived financial, performance, psychological, social, physical and time loss occurring (Peter and Ryan, 1976; Sjoberg, 1980). Gen Y appears to: (1) conduct a basic cost/benefit analysis of the product when dealing with financial risk; (2) look for a trade-off between the cost and investment value of the product when assessing performance risk (i.e., when purchasing a high-priced brand, they believe this to be a good investment that is built to last); (3) demonstrate reactance tendencies such as post purchase dissonance when responding to psychological risk; (4) balance their individualism with their desire to conform to peer groups and trends when coping with social risk (i.e., some choose to blend in with the crowd, while others to blend out) and (5) conduct comparison shopping to find a brand with the right benefits for the right price and gain a sense of accomplishment when handling time risk (Noble et al., 2009).

METHODOLOGY

MP3 players were selected as the product category in the current study for their considerable popularity amongst Gen Y. The university student segment was targeted for its market size, trendsetting status, positioning as early-adopters, influence over parental purchasers, probability of higher standards of living associated with an university degree and lifelong brand loyalties acquired during these formative years (Noble et al., 2007; Wolburg and Pokrywezynski, 2001). Consequently, a self-administered, pen and paper survey was administered to undergraduate and postgraduate students at three universities in metropolitan Perth in Western Australia.

The survey's scale items were selected from Laroche et al. (2004) and Mieres et al. (2006) for their reliability in buying situations ($\alpha \geq 0.83$) and adapted to ensure relevance to the current study. *Perceived risk* for the Apple iPod (prototypical brand) and the other brands of MP3 players (me-too brands) were measured by 20 items respectively (e.g., I am afraid that an Apple iPod / another brand of MP3 player would negatively affect what others think of me). *Self-confidence* with the MP3 players was measured by 13 items (e.g., Compared with most MP3 player buyers, I consider myself a good buyer). *Extrinsic attributes* of MP3 players that determine quality was measured by seven items (e.g., The more expensive the MP3 player, the better the quality). *Perceived quality* between the MP3 players was measured by four items (e.g., There is not much difference in terms of quality between the Apple iPod brand and the other brands). *Purchase intentions* for the Apple iPod (prototypical brand) and the other brands of MP3 players (me-too brands) were measured by four items respectively (e.g., I will purchase an Apple iPod / another brand of MP3 player the next time I need an MP3 player). Finally, *demographics* were measured by seven questions related to gender, age, marital status, occupation, home ownership, education and income.

RESULTS

The purposive sample in the current study was drawn from a Gen Y university-aged population; 362 completed surveys were collected. Fourteen surveys (4 percent) were not included in data analysis because they were unusable due to erroneous reporting. This resulted in 348 usable surveys. Gender and age characteristics were representative of the general student population in Australia. The sample consisted of

51 percent males and 49 percent females. The majority of the sample (77 percent) was aged between 20 to 34 years, while only 22 percent was under 20 years. About a third of the sample (35 percent) lived with their parents, 57 percent rented, 5 percent lived in purchased homes and the remainder were house sitting for family and friends. The majority of the sample (91 percent) was pursuing an undergraduate degree and earned less than AUD\$49,999 from their part-time or full-time jobs.

First, the 48 items related to the purchase intentions of the Apple iPod (prototypical brand) were factor analyzed. The final solution, explaining 67 percent of the variance, identified brand familiarity, extrinsic attributes, perceived quality, perceived social/physical risk, perceived financial/performance risk, perceived time risk, perceived psychological risk and purchase intentions. Then, the 48 items related to the purchase intentions of the other brands of MP3 players (me-too brands) were factor analyzed. The final solution, also explaining 67 percent of the variance, identified brand familiarity, extrinsic attributes, perceived quality, perceived social/physical risk, perceived financial/performance risk, perceived time risk and purchase intentions.

Confirmatory factor analysis tested the measurement properties of the eight constructs related to the Apple iPod (prototypical brand) and the seven constructs related to the other brands of MP3 players (me-too brands). As a result, six items were deleted from the prototypical brand measures, leaving 29 items, and seven items were deleted from the me-too brand measures, leaving 27 items.

Composite reliabilities for the Apple iPod (prototypical brand) and the other brands of MP3 players (me-too brands) were 0.89 for self-confidence; 0.61 for perceived quality; 0.63 for extrinsic attributes; 0.89 and 0.88 for perceived social/physical risk; 0.85 and 0.88 for perceived financial/performance risk; 0.81 and 0.86 for perceived time risk; 0.74 for perceived psychological risk and 0.84 and 0.83 for purchase intentions respectively, suggesting the constructs demonstrated some reliability (Hair et al., 2006).

Table 1: Descriptive Statistics for the Antecedents of Purchase Intentions with Gender for the Prototypical and Me-Too Brands

	Prototypical brand		Me-too brands	
	Males	Females	Males	Females
Self-confidence with familiar brands	4.50 ^a	3.76 ^b	4.52 ^a	3.77 ^b
Perceived equivalent quality	3.91	3.74	3.91	3.74
Extrinsic attributes	4.74	4.85	4.74	4.85
Perceived social/physical risk	2.30 ^a	1.92 ^b	2.57 ^a	2.20 ^b
Perceived financial/performance risk	3.59 ^a	3.23 ^b	3.94	4.00
Perceived time risk	3.37	3.08	3.43 ^a	3.05 ^b
Perceived psychological risk	3.56	3.39	NA	NA
Purchase intentions	4.68	4.87	3.46 ^a	2.92 ^b
Sample size	172	171	172	171

Note: Means denoted by a different subscript letter are significantly different from one another ($p \leq 0.05$) using independent groups t-tests

Finally, independent groups t-tests were conducted between male and female respondents for their differences in responses between the Apple iPod (pioneer brand) and the other brands of MP3 players (me-too brands). As can be seen in Table 1, for the Apple iPod, males held significantly higher perceived social/physical risk ($p \leq 0.01$) and perceived financial/performance risk ($p \leq 0.05$) than females. For the me-too brands, males also demonstrated significantly higher perceived social/physical risk ($p \leq 0.01$) and time risk ($p \leq 0.01$) than females. However, males had significantly higher self-confidence ($p \leq 0.001$) in both the Apple iPod and the me-too brands, and also higher purchase intentions ($p \leq 0.001$) for the me-too brands than females.

DISCUSSION, IMPLICATIONS AND LIMITATIONS

Understanding the factors underlying Gen Y's consumer behavior is important, particularly due to their considerable consumption potential and the increasing sophistication of marketing brands in the marketplace. Independent groups t-tests suggested Gen Y males held significantly higher perceived social/physical and financial/performance risks for the Apple iPod and higher perceived social/physical

and time risks for the me-too brands. Since Gen Y males spend 1.7 times more on technology-related purchases than females (Sullivan and Heitmeyer, 2008), they may feel more pressure to make brand choices that blend in with the crowd. However, possibly due to the extended time Gen Y males spend on technology-related purchases, they also appear to display more self-confidence in the Apple iPod and the me-too brands, exhibiting higher purchase intentions for the me-too brands than females.

The current study has several limitations. Future research should attempt to determine if the findings of the current study are generalizable across various universities in Australia and even universities in different parts of the world. A larger sample would yield greater ethnic diversity amongst respondents and significantly increase understanding. Another issue involves the socio-economic background of the sample. Previous research has shown upbringing, formal education and occupational culture significantly impact an individual's consumption practices (Holt, 1998). Respondents in the current study may exhibit different consumption patterns as compared to Gen Y consumers with less formal education (Martin and Turley, 2004).

Findings from the current study suggest Gen Y males display more self-confidence and higher purchase intentions than females. However, this may be attributed to the choice of the male-dominated product category in the current study. In subsequent research, it would be interesting to explore a female-dominated product category such as fashion. Possibly, faced with less information on the product category, Gen Y males may display less confidence and lower purchase intentions for fashion brands.

Finally, it has been premised that generational motives for purchasing become standardized once a generation reaches a certain age (Dias, 2003). For example, in 10 years time, mid-Gen Y consumers are expected to exhibit similar motivations for purchases as current Gen X consumers. A longitudinal study is needed to either validate Dias' (2003) theory or postulate that Gen Y consumers have unique motivators for purchases throughout life; influenced by environmental factors, which is consistent with cohort theory (Noble et al., 2009).

REFERENCES

- Bartlett, M., 2004. Understanding what shapes generation can help the analyst. *Credit Union Journal* 8 (21), 14017.
- Carpenter, G.S., Nakamoto, K., 1989. Consumer preference formation and pioneer advantage. *Journal of Marketing Research* 26, 258-298 (August).
- Centaur Communications Limited., 2007a. Challenger Brands, rules for being a successful challenger brand. *Brand Strategy* 44 (9 October).
- Centaur Communications Limited., 2007b. Challenger Brands, are you up to the challenge? *Brand Strategy* 44 (9 October).
- Dawar, N., Parker, P., 1994. Marketing universals, consumers' use of brand name, price, physical appearance, and retail reputation as signals of product quality. *Journal of Marketing* 58 (4), 81.
- Der Hovanesian, M., 1999. Spending it, investing it – coming on strong, the children of the baby boomers are affecting spending and investing as significantly as their parents did, the similarity ends there. *Wall Street Journal (Eastern Edition)*, New York (29 December).
- Dias, L.P., 2003. Generational buying motivations for fashion. *Journal of Fashion Marketing and Management* 7 (1), 78-86.
- Fandos, C., Flavin, C., 2006. Intrinsic and extrinsic quality attributes, loyalty and buying intention, an analysis for a PDO product. *British Food Journal* 108 (8), 646.
- Gerbing, D., Hamilton, J., Freeman, E., 1994. Large-scale second-order structural equation model of the influence of management participation on organizational planning benefits. *Journal of Management* 20, 859 (Winter).
- Gronroos, C., 2000. *Service Management and Marketing, A Customer Relationship Management Approach*, Wiley, New York, NY.
- Hair, J., Anderson, R., Tatham, R., Black, W., 2006. *Multivariate Data Analysis*. Prentice-Hall, New Jersey.
- Harwood, M., 2002. Talking to the generations, how to market to different age groups. *Community Banker* 11 (7), 28-33.
- Kim, R., 2008. Japanese consumers' use of extrinsic and intrinsic cues to mitigate risky food choices. *International Journal of Consumer Studies* 32 (1), 49.

- Kumar, A., Lim, H.J., 2008. Age differences in mobile service perceptions, comparison of Generation Y and baby boomers. *Journal of Services Marketing* 22 (7), 568-577.
- Lane, W.J., 1980. Product differentiation in a market with endogenous sequential entry. *Bell Journal of Economics* 237-260 (Spring).
- Laroche, M., McDougall, G., Bergeron, J., Yang, C. 2004. Exploring how intangibility affects perceived risk. *Journal of Services Research* 6 (4), 373.
- Locander, W., Hermann, P., 1979. The effect of self-confidence and anxiety on information seeking in consumer risk reduction. *Journal of Marketing Research* 16 (2), 268.
- Marciniak, J., 2002. Why aren't they worried? *Brandweek* 43 (32), 29.
- Martin, C.A., Turley, L.W., 2004. Malls and consumption motivation, an exploratory examination of older Generation Y consumers. *International Journal of Retail and Distribution Management* 32 (10), 464-475.
- Mieres, C., Martin, A., Gutierrez, J., 2006. Antecedents of the differences in perceived risk between store brands and national brands. *European Journal of Marketing* 40 (1/2), 61.
- Noble, S.M., Haytko, D.L., Phillips, J., 2009. What drives college-age Generation Y consumers? *Journal of Business Research* 62, 617-628.
- Parasuraman, A., Zeithaml, V., Berry, L., 1985. A conceptual model of service quality and its implications for future research. *Journal of Marketing* 49 (4), 41-50.
- Paul, P., 2001. Getting inside Gen Y. *American Demographics* 23 (9), 42-49.
- Peter, J., Ryan, M., 1976. An investigation of perceived risk at the brand level. *Journal of Marketing Research* 13 (4), 184-188.
- Rao, A., Monroe, K., 1989. The effect of price, brand name and store name on buyers perceptions of product quality, an integrative view. *Journal of Marketing* 351.
- Rugimbana, R., 2007. Generation Y, how cultural values can be used to predict their choice of electronic financial services. *Journal of Financial Services Marketing* 11 (4), 301-313.
- Schmalensee, R., 1982. Product differentiation, advantages of pioneering brands. *American Economic Review* 72, 349-365 (June).
- Sjoberg, L., 1980. The risks of risk analysis. *Acta Psychologica* 45 (1-3), 301-321.

- Sullivan, P., Heitmeyer, J., 2008. Looking at Gen Y shopping preferences and intentions, exploring the role of experience and apparel involvement. *International Journal of Consumer Studies* 32, 285-295.
- Ward, S., 1974. Consumer socialization. *Journal of Consumer Research* 1 (2), 1-17.
- Wolburg, J.M., Pokrywczyniski, J., 2001. A psychographic analysis of Generation Y college students. *Journal of Advertising Research* 41, 33-52.