Y-Generation behavior on social networks systems: towards an alternative distribution channel to attract wine buyers

Jean-Eric PELET
IDRAC International School of Management, Associate researcher, LEMNA, IAE-IEMN – Nantes University, France
16, rue Laurence Savart, - F-75020 Paris - jepelet@yahoo.com - 0630536976

Benoit LECAT
Burgundy School of Business, France
29, rue Sambin, - F-21000 Dijon - benoit.lecat@escdijon.eu - 0033380438823

Y-Generation behavior on social networks systems: towards an alternative distribution channel to attract wine buyers

Abstract

The purpose of this article aims at presenting the consumer behavior of the Y generation regarding its habits in terms of Internet usage, Social Network Systems (SNS), wine purchase and mobile. Results of an exploratory qualitative study conducted with 21 interviewees about their practice of shopping on m-commerce using SNS indicate the importance of the mobile website's interface in relation to trust concerns. A confirmatory study of 190 respondents followed. Results show that m-commerce and e-commerce applications using SNS platforms may prove greatly efficient in the foreseeable future for wine growers, in combination with the Global Positioning System (GPS). Small and medium sized wine sellers may wish to incorporate this media in their strategy to sell more.

Keywords: wine, social network system, Y-Generation, Distribution, m-commerce

Le comportement de la génération Y vis-à-vis des systèmes de réseaux sociaux: vers un canal de distribution alternatif pour attirer plus de consommateurs de vin ?

Résumé

L'objectif de cet article vise à présenter le comportement des consommateurs de la génération Y et ses habitudes en matière d'utilisation d'Internet, des systèmes de réseaux sociaux (SNS), d'achat de vin et de mobiles. Les résultats d'une étude qualitative exploratoire menée auprès de 21 personnes interrogées sur leur pratique des achats sur le m-commerce en utilisant les SNS indiquent l'importance de l'interface du site web mobile par rapport à la confiance des consommateurs. Une étude confirmatoire conduite auprès de 190 répondants a suivi. Les résultats montrent que les applications de m-commerce et de e-commerce utilisant les SNS peuvent se révéler très efficaces dans un avenir proche pour les vignerons, en association avec le système de géolocalisation (GPS). Les petites et moyennes entreprises de vente de vin gagneraient peut-être à intégrer ces SNS dans leur stratégie pour vendre plus.

Mots clés : vin, système de réseaux sociaux, Generation-Y, Distribution, m-commerce

Résumé managérial

Ces deux études soulèvent trois questions de gestion importantes d'après nous : (1) Est-ce que les GPS sont utiles pour attirer les consommateurs sur mobiles? (2) est-ce que les réseaux sociaux peuvent être considérés comme des canaux de distribution alternatifs et si oui, (3) qui sera intéressé pour prendre part dans ce canal au sein de la génération Y?

Des études antérieures sur le vin ont démontré l'existence de différences culturelles au niveau du développement des marchés entre les cohortes. Nos travaux, malgré la taille relative de l'échantillon, montrent que :

- Les consommateurs de la génération Y qui font leurs achats sur leur mobile et qui utilisent les réseaux sociaux recherchent des interfaces susceptibles de leur faire ressentir un sentiment de confiance;

- Les applications de m et de e-commerce utilisant les plates-formes de réseaux sociaux peuvent se révéler très efficaces dans un avenir proche pour les vignerons, en association avec le Global Positioning System (GPS). Elles constituent donc une opportunité pour les petites et moyennes entreprises dans le domaine du vin pour vendre davantage;

- Le scénario proposé est réaliste avec un score de 3,03/5. Ce scénario repose sur le GPS pour rassembler les gens. En effet, grâce au GPS, il est possible de localiser géographiquement les membres d'un réseau social dédié aux vins. Il est déjà facile pour un consommateur de localiser le lieu de production du vin, et il sera encore plus facile pour les consommateurs de trouver d'autres personnes qui ont déclaré sur leur page où ils vivent par rapport au lieu de production du vigneron. Ce scénario est d'autant plus réaliste compte tenu de la hausse du coût de la prestation et l'importance de «l'achat groupé";

- Plus les gens sont jeunes et disposés à prendre part au scénario théorique et plus ils sont disposés à consacrer de temps à leur mobile, plus ils sont prêts à accepter ce scénario.

Pour résumer : La quasi-totalité de la Génération-Y utilise Facebook (93,2%) et par conséquent, le scénario que nous proposons pourrait être intéressant pour la Génération-Y s'ils voulaient acheter du vin à un prix inférieur (diminution des coûts de transport et obtention d'un tarif identique à celui pratiqué par le propriétaire) d'autant plus qu'ils consomment plutôt des bons vins assez souvent: 43% consomment des vins de plus de 11 € par bouteille et 27,4% boivent un verre de vin tous les jours. Cette occasion doit être ensuite exploitée afin d'augmenter le volume des ventes.

Introduction

The Internet has disrupted several industries over the past few years. It has changed the way we do business and how consumers behave and interact with each other. The wine industry is not excluded from this phenomenon. One of the main trouble encountered by the commerce of wine through the Internet lies on the distribution process. Heavy and fragile, a bottle of wine is not as easy to convey as a book or a CD. In the literature, sociological analyses on the distribution process emphasize three main needs: 1) the need of re-enchantment, 2) looking for an experience in store, and 3) the answers that distributors can bring through the dramatization of their offer, also called *"retailtainment"* (Filser, 2005). Therefore, *"retailtainment"* can become a key factor of success between distributors and customers in this particular domain that is the selling of wine through the Internet. One could also argue that mobile and especially smartphones could contribute to enhance the distribution process thanks to a proper use of Social Network Systems (SNS) such as Facebook with a switched on Global Position Systems (GPS). The *"groupage"* (to buy with a group of people) phenomenon which already exists among wine producers could find another supply chain management process thanks to a particular use of such tools that are both SNS and GPS. This is the issue this article raises. Our problematic is: "since wine growers are not reluctant to use SNS to communicate and promote or sell their wine (see authors past work from 2011), since the e-commerce of wine remains still difficult because of the high price of delivery in relation to the high cost of transportation, since Gen-Y consumers use their smartphones to shop and buy on a growing base from m-commerce websites, could SNS bring to the fore the m-commerce of wine in the next years using GPS?"

The relevance of SNS for the wine market and its distribution characteristics is simple to understand when one knows that SNS are mainly used on mobiles (comScore, 2012), and that the Global Positioning System is often switched on. In store, purchasing offers the customer the advantage of being able to touch and handle the products itself and to learn by questioning the sellers. It also offers direct access to goods. But the Internet also has its benefits: it provides a multitude of options to the consumer, which can be advantageous if the product is already known, allowing a personalised service to be offered. However, the seller will find increased competition and thus increased pressure on prices. Consequently, to break into e-commerce, it is vital that companies take into account the disappearance of geographical boundaries in their distribution networks which were previously more local. It is therefore essential for the supplier to provide an efficient method of distribution accompanied by a varied range of products, based on an updated database of customer information (Boulaire and Balloffet, 1999).

The last decade has seen an increasing series of studies of wine consumption behavior (Celhay, 2008; Nowak *et al.*, 2006; Ritchie *et al.*, 2009; Thach and Olsen, 2004, 2006) but none of them has so far been interested in exploring the potential of mobile commerce (m-commerce) at it relates to the wine industry. Among the elements that contribute to this massive use of Internet devices, let us cite the growth in social media usage in recent years (Facebook, Twitter, and so on). The instantaneous insights on consumer profiles, m-commerce and the development of mobile tools (smartphones, tablets, etc.) reinforce the appetite consumers have for this “Communicating Swiss-knife” style, also considered sometimes as a “habit forming”. Today consumers are not passive shoppers. They seek out and disseminate information about a product using social media and are not shy about providing their views and opinions and will abandon any company that does not serve their needs or are perceived as not giving value. The question we today pose relies on the coming of age of the so-called “Generation Y” (Gen-Y). This paper aims to provide insights on the perception of Gen-Y customers with Social Networks Systems (SNS) and the potential challenges and opportunities in terms of shopping behavior when considering the m-commerce as it applies to the wine industry. Our research question is: *“Would Social Network Systems reveal to be a viable way of distributing bottles of wine, both for wine producers and Gen-Y consumers, using Global Position System?”*

In order to answer these questions, an exploratory study and a confirmatory one have been conducted. The first relates to the expectations of Gen-Y consumers towards smartphones and their many applications. It has been conducted with 21 respondents, exploring their use of smart phone and SNS, in the context of mobile commerce websites interfaces as well as security and privacy issues. The following confirmatory study relates to the interest Gen-Y consumers have on the prospect of buying wine on the Internet. We present the results of these two studies before concluding and presenting limits as well as future ways of research.

Brief presentation of Generation Y's usage of Social Network Systems embedded on Smartphones

Who is the Generation Y?

Gen-Y is defined as those born post 1980 (Chowdhury and Coulter 2006; Lescohier 2006). It is believed that Gen-Y has the potential of forming long-term loyalties with products which satisfy them at this vital stage (Paul, 2001). Gen-Y, the largest generation since the Baby Boomers (Neuborne 1999), spans in age from fourteen to thirty one (Norum, 2008). For the purposes of this study, the age range of Gen-Y has been narrowed to ages eighteen to thirty-one because increased financial independence is gained at the age of 18 according to Djamasbi *et al.* (2008) and because drinking alcohol is prohibited before the age of 18 in a lot of countries.

Far larger than the generation before it, much of Gen-Y was raised in a time of economic expansion and prosperity (Eisner, 2005). Though it is the most affluent generation (Allen, 2004), some 16% of Gen-Y grew up or is growing up in poverty (Raines, 2002). In its post-Columbine, post-9/11, 24-hour media world, this latest generation has seen more at an earlier age than prior generations have seen (Sujansky, 2004). Having worked throughout high school while continuing to live with parents in a 24/7 digitally connected and globalizing world (Eisner, 2005). Making a lot of money tends to be less important to Gen-Y than contributing to society, parenting well, and enjoying a full and balanced life (Allen, 2004). Gen-Y was socialized in a digital world. It is more than technically literate and continually wired, plugged in, and connected to digitally streaming information, entertainment, and contacts. It has so mastered technology that multitasking is a habit it takes into the workplace, where it tends to instant message its contacts while working (Lewis, 2003).

Although studies into the general characteristics of this market are limited, and none (even in Charters and Mueller (2012)) has dealt with wine consumption and mobile. Most findings consistently highlight similar attributes for psychographics and purchase behavior across well- researched industries (see Dias, 2003; Bakewell and Mitchell, 2003; Paul, 2001). Regarding the wine industry, attitude to wine and consumption behavior may vary, according to Fountain and Lamb (2011). Authors found that Gen-Y consumers drink more wine than Gen-X were at a similar age and behavioral differences between both age cohorts are likely to be considerably smaller than differentials in their attitudes. Gen-Y is not a homogeneous cohort according to Mueller *et al.* (2011) and de Magistris *et al.* (2011). By comparing views and behaviors of Gen-Y wine consumers in a number of countries, authors reveal substantial cultural differences. Despite certain similarities between Gen-Y cohorts across a range of countries, it is very hard to generalize about the wine consumption behavior of the cohort across a range of countries (Mueller and Charter, 2011).

M-commerce habits

The potential benefits of m-commerce for generating sustainable profits need further demonstration when used in conjunction with SNS. To succeed in producing profits in the highly competitive m-commerce environment, organizations must develop the technical expertise and business strategy necessary for the creation of an effective "SNS-m-commerce website" tandem/partnership (Author, 2011).

Distribution is only one step between the producer and the consumer regarding transaction costs. To carry out these transactions, the distribution needs a well-developed physical infrastructure such as warehouses or shops, also sources of fixed costs (Filser, 2005). Intuitively, it is logical to think that any form of intermediation that no longer needs any brick and mortar retail outlets can provide a lower average cost of distribution. One could naturally complement this analysis, because the transaction costs should be absorbed into another channel level. One of the major economic problem which hinder the development of the e-commerce of wine lies on distribution costs. Based on conveyors' services, this estimated cost is around one euro per bottle in France (Hachette Vins, 2012). The retail store includes support functions for the provision of physical goods such as the relationship a consumer developed with a store owner, it seems difficult to compete economically with home delivery of all goods. This situation could change with the coming of SNS in the e(m)-commerce of goods, combined with GPS systems, to make real friends consolidators, in the sense that the winemakers agree. These consolidators already exist and they are named *"groupers"*. These latest could arise with the arrival of SNS and GPS on smartphones.

Groupers and winemakers forge close ties with their different partners to work together over the long term. They become relays each with their clients to do the monitoring of wine, favorize logistical conditions or events and tastings. Their customers can be professionals or individuals, importers, wine shops, wine bars, wholesalers, grocery store etc... Even if most wine growers work more with individuals and don't work with supermarkets or hard discounters because of the limited margins. As a consequence, using this platform will help customers to reduce their environmental impact (less CO^2) and pay the cost of transportation at a lower price than the price of a bottle purchased from the wine grower. On the contrary, the price is closer to the price of a bottle purchased from the producer: one delivery instead of several delivery directly from each grower. Diversity also offered permits deliveries of larger quantities, thus providing cleaner logistical services for the planet.

In addition companies must understand that the consumer shopping in a digital world is not bound by the old buying habits, and so a new kind of collaboration between sellers and buyers needs to happen.

In the US, cell phone adoption is widespread especially in young population, with 75% of teenagers and 93% of adults aged 18-29 having a cell phone, with 55% of the latter group accessing the internet wirelessly from their cell phone (Lenhart *et al.*, 2011). The evolution of mobile communications has triggered an increase in the use of mobile devices, such as mobile phones, to conduct mobile commerce on the mobile Web (Venkatesh *et al.* 2003, Ngai and Gunasekaran 2007). Creating a well-conceived and executed digital marketing strategy requires clarity of concept and goals that few companies are willing to invest in order to support their digital business. M-commerce hasn't surpassed e-commerce yet, but the rapid growth of mobile telephony has fueled the expansion of the mobile Internet as a foundation for mobile commerce (Lee and Benbasat, 2004). The mobile Internet has unique strengths because users can connect to it wherever and whenever they want (Kakihara and Sorensen, 2001).

The ability of the wine industry to attract a new customer base (Thach, 2005) requires a thorough understanding of the needs and wants of that group (Kotler, 2003). This seems even more important despite certain superficial similarities between Gen-Y cohorts across a range of countries, the most significant conclusion is that it is very hard to generalize about the wine consumption behavior of the cohort across a range of countries, and there are distinct cultural and market developmental differences that are much more significant than the age-related similarities according to Mueller and Charters (2011). As novice or potential wine consumers, they are becoming ever more significant as targets for wine marketeers (Mueller and Charters, 2011), especially since they are very familiar with new technologies such as smartphones.

By providing a reliable location anywhere, anytime, mobile devices offer companies the opportunity to conduct marketing campaigns that aim to drive both the company's mobile, in-store traffic and sales in ever expanding possibilities. Applications have become a way of life for consumers and are in a position to address each stage of the consumer purchase funnel - awareness, engagement, consideration, conversion and loyalty. Smartphones penetration could definitely favor the surge in mobile shopping of wine. Owners of such devices are more or less connected to social networks with embedded location-based applications. It helps a brand to locate their fans, and target their mobile strategy to quickly interact with shoppers. Today, someone walking on a street can receive an SMS on her/his mobile phone, indicating that the restaurant of the X brand in the same street is offering her/him a free aperitif if s/he turns up within the next hour. The person who receives this alert is fan of the X brand on a SNS such as Facebook. S/he may have left the location based application of her/his favorite digital social network activated, in order to locate her/him anywhere anytime. At the same time, the restaurant has learned that this person is also fan of this particular wine, and has friends who also seem to be fans of the food they cook, and the wine they serve, so invitations are sent to these people as well.

Another important dimension to have in mind is that 90% of shoppers prefer to communicate while shopping according to Schummer (2001). Consumer recommendations are the most trusted form of advertising around the world. Although this is true, it is also a double edge sword, with consumers trashing a restaurant or store for personal reasons, thus causing much damage to a store’s reputation. Over 75% of respondents from 47 markets across the world rated recommendations from consumers as a trusted form of advertising. This is to compare to 63% for newspapers, 56% for TV and magazines, and 34% for search engine ads (Nielsen, 2007). This underscores the notion that people trust people.

Thanks to their ease of use, SNS can help shoppers provide positive ratings and recommendations about the goods of a vendor on its public SNS’s page, an action which would be rewarded of course. These interrogations reinforce the importance to investigate thoroughly how consumers posit themselves on this aspect, during an exploration phase.

Research method

Our research method includes both a qualitative and a quantitative study. An exploratory qualitative study was conducted first to allow for verifying the importance of the research variables and the necessity of including them in our model to be tested. The proposed research hypotheses were then empirically tested through a quantitative study.

An exploratory study about Gen-Y perception of SNS and m-commerce

A survey-based method using quick interviews (appendix 1) has been conducted for various reasons. Firstly, according to our knowledge, no research has yet been undertaken on the shopping on m-commerce using SNS. Secondly, it is quite rare to find literature on SNS and m-commerce at once. The main objective of this exploratory phase is to investigate if the use of SNS on mobile is known by users of mobiles, and if so, if they thought about shopping on m-commerce websites after visiting these social applications. It mainly seeks to learn what is important for users' perceptions.

Participants

Selection of interviewers was primarily based on qualitative criteria. To follow the criteria of data saturation (Mucchielli, 1991, p.114), we interviewed 21 students in Switzerland We adopted a neutral attitude so as not to influence them in the way they answered. The respondents were selected to achieve a balance in terms of age, gender and socio-professional background, in order to obtain a homogeneous sample.

Results

Questions embedded for the exploratory phase were structured and opened. Every interview, the duration of which ranged from 20 to 25 minutes, was re-transcribed offering a verbatim of around 80 pages corresponding approximately to 6 hours of recording. After around ten minutes of conversation, we asked respondents two final questions to summarize the interview. We first asked what makes they say, after having visited an m-commerce website: *"I will stay loyal with this website"*? Questions of interface and trust towards the expected services came up. 5/21 (24%) respondents reported the fact that the SNS should be "*easy to use on a mobile phone*". Others based their judgment on the service they receive: "*if I am satisfied*" is thereby the necessary condition for 4/21 (19%) respondents. The "*security/privacy level is high*" for the 4/21 (19%) of respondents. In relation to the proposed application, if I am "*happy with the service*" is important for the 3/21 (14%) respondents. A "*fast delivery*" is important to 2/21 (9%) and if "*I received the goods I bought on time*" for 1/21. Although small these figures reinforce the fact that m-commerce is still in its infancy. Applications that procure benefits to the user such as 2/21 respondents say they *"have advantages using it"* will encourage the proliferation of such applications. On the contrary,

2/21 respondents are reluctant with them, and conclude with "*I cannot imagine being loyal to any m-commerce website*" without précising which aspects they find offensive.
And finally, when we asked respondents to think of any ideal m-commerce website and what makes it ideal, only 2 websites have been cited: "*Amazon*" (3/21) and "*Ebay*" (1/21). These m-commerce websites must provide the *"Information I want"* (2/21). As general example, a "*website to buy train/bus ticket (sncf, etc.)*" is cited by 3/21 respondents. Back to the most repeated items of this exploratory research on SNS and m-commerce, "*user friendliness*" of the application is mentioned by 4/21 respondents. An emphasis on ergonomics and usability remains constantly along the interviews. A focus on scales to measure these variables seems inevitable for the confirmatory analysis. Also, *"secure website"* 3/21 take part to the visual aspects to consider when conceiving m-commerce interfaces.

With regards to the catalog of products offered on the m-commerce, the *"prices lower than in a shop"* will help 2/21 respondents to choose m-commerce. The importance of the catalog with *"many products"* is important too for 2/21 respondents. One refers to the importance of *"good products"* an another one o the *"large variety of products"*.

The application itself "*must be well-known*" by 2/21 respondents in order to trust it. In this direction, a "*fast website*" is preferred by 2/21 among them. This will be based on a "*good structure*" for 1/21 respondent. Like for e-commerce, freshness is much appreciated thanks to "*something new*" for 1/21, making the application even more easy to use. This will add the "*reliable*" aspect one respondent cited, and also reinforces its "*clear*" aspect.

Interviews were generally referring to the aspect of the interface and to trust concerns but nevertheless, one student said this, regarding the difficulties to buy wine online, in parallel to the interview conducted with her: *"Personally I have stopped buying wine on the internet (from California) and sometime the internet offers were great, but the logistics are too cumbersome, such as the winery does not want to ship when the weather gets too hot or too cold (too cold when we lived in New England and now too hot in Florida…), so you have to wait, sometime several months… and if you do not want to wait, you have to pay such a high premium for air shipment that it defeats the purpose…. In addition there are state laws that prohibit the selling of wine on the internet, (which is not the case in Europe). All that to say that it is not as easy as it sounds…. From both the consumer and the seller's perspective and the problems are not generational only..."*.

Regarding the interview, here is a summary of the answers we obtained (table 2). Given the exploratory nature of our research, the indicated percentages are not intended to be statistically representative but they rather serve to summarize the information collected in numbers.

Table 1: Results of the qualitative analysis

Principal themes	Constructs	Modalities / Common use	Evoked themes	Citation frequency among the 21 respondents	
Use of Social Networks Systems on Mobile	Mobile	Possession	Iphone Blackberry Sony Ericsson, Samsung, Nokia, HTC	11/21 4/21 6/21	52% 19% 29%
-	SNS	Registration on	**Facebook** Youtube LinkedIn Twitter	**18/21** 6/21 6/21 4/21	**86%** 29% 29% 19%
-	-	SNS on Mobile	**Contact their community (Facebook…)**	**10/21**	**48%**
-	Use of mobile	SMS WWW GPS	**Sending of short messages** **Surf the Internet (look for information)** **Global Positioning System (GPS) "ON"**	**9/21** **10/21** **9/21**	**43%** **48%** **43%**
	Negative	Slowliness	**Discourage users from re-visiting a particular website**	**5/21**	**24%**
Design concerns	Human Mobile Interaction	HMI	**Ease-of-use**	**6/21**	**29%**
	-	Ergonomics	**If it is practical**	**6/21**	**29%**
	-	Aspect	**Security**	**5/21**	**24%**
m-commerce	Shopping	Use of mobile for shopping	Shop on m-commerce websites (music, train tickets, …)	2/21	10%
	GPS	GPS and SNS	Received an invitation for a commercial proposal	3/21	14%
-	Peer recom-mandation	Proposal from as SMS	Sms offers something	6/21	29%
	Popularity of SNS	It is popular	**It has been heard from friends**	**7/21**	**33%**
	Privacy	Respect privacy	**Many other people trust it and have it**	**5/21**	**24%**
	Security of payment	It is safe	Recommended by friends for that	4/21	19%

Following this exploratory study, a confirmatory one followed.

Confirmatory study about Gen-Y behavior of SNS and m-commerce

Research method

The confirmatory study was implemented by asking French and international Y-Gen consumers coming from more than 10 countries how they did perceive SNS and m-commerce embodying the later.

Participants

The sample is composed of n=190 valid questionnaires of international Y-Gen consumers born after 1980. It was selected to achieve a balance in terms of age and socio-professional background. The detailed sample characteristics are presented in Appendix 2.

Results

- **Time and access to the Internet**

Among the 190 respondents, 68% of them connect to the Internet using their mobile and 38% spend between 10 and 19 hours a week on the Internet whereas 41% spend more than 20 hours a week. Nearly all of them (95%) access the Internet every day

- **Behavior (purchase and influence of the others)**

Only 43% do purchase on the Internet at least once a month. They mainly use Internet to stay in touch with friends and relatives (95%) but also in order to look for information on a product (69%). They also access discussions (29%) and 21% access chatrooms.

In terms of SNS, they nearly all use Facebook (93.2%), then Twitter (32.6%), then Groupon (18.9%), and then Google+ (15.3%). They are on SNS mainly to visit friends' page (88.4%) and have been in touch with SNS through their friends (90.5%) and through their class mates (50%). When they are connected, most of them spend one hour or more on SNS (67.9%) since most of them connect everyday (77.4%) to SNS. 26.8% declared they have already bought a good or a service based on friends' recommendations issued from SNS (by importance clothes, transport ticket, CD, and then books). Regarding wine, only 5 of them were influenced by friends recommendations.

- **Wine purchase and consumption**

Regarding the wine consumption and habits, 7.4% of our respondents are members of a group dedicated to wine. A lot of them don't buy wine (32.6%) and 36.8% buy wine several times a year. With regards to wine buyers only, they mainly buy it in supermarkets (56.3%) and hypermarkets (19.5%) but also in wine shop (19.5%). They rather consume good wines : 22.7% buy wine below 5€ but 43.8% buy wine between 5 and 10 €; 26 between 11 and 20€ and 17 more than 20. They mainly buy (moderately) between half a bottle (32.8%) and one bottle (23.4%)

Among the whole respondents, 27.4% drink one glass of wine every day; 3.2% half a bottle while 64.2% consume occasionally (not every day). They mainly consume wine at home (26.3%) or at friends' place (32.1%). Most of them never go to the Internet to look for information on wine (82.1%). 5.8% of them were able to quote one website only…

For 72.6% of them, the delivery on time to develop their trust when they are buying wine through their mobile phone is important. The fact that the wine is delivered in good condition is an important figure with 76% of respondents expecting it.

- **SNS as an alternative channel to click and mortar? Test of a scenario**

Among, the 190 respondents, 93 of them accepted to test our scenario coming from previous research led by Authors (2011) (see scenario in appendix 3). The underlying idea of this scenario is to rely on GPS to get people together. Indeed, through GPS, it is possible to locate geographically the members of a social network dedicated to wines. It is already easy for a consumer to locate the place of wine production and it will be even easier for consumers to find other people who reported on their page where they live in relation to the producer.

The following figure summarizes the steps necessary to set up an alternative distribution network through SNS (figure 1).

Figure 1: illustration of the scenario/steps to establish a network of alternative distribution through digital social networks

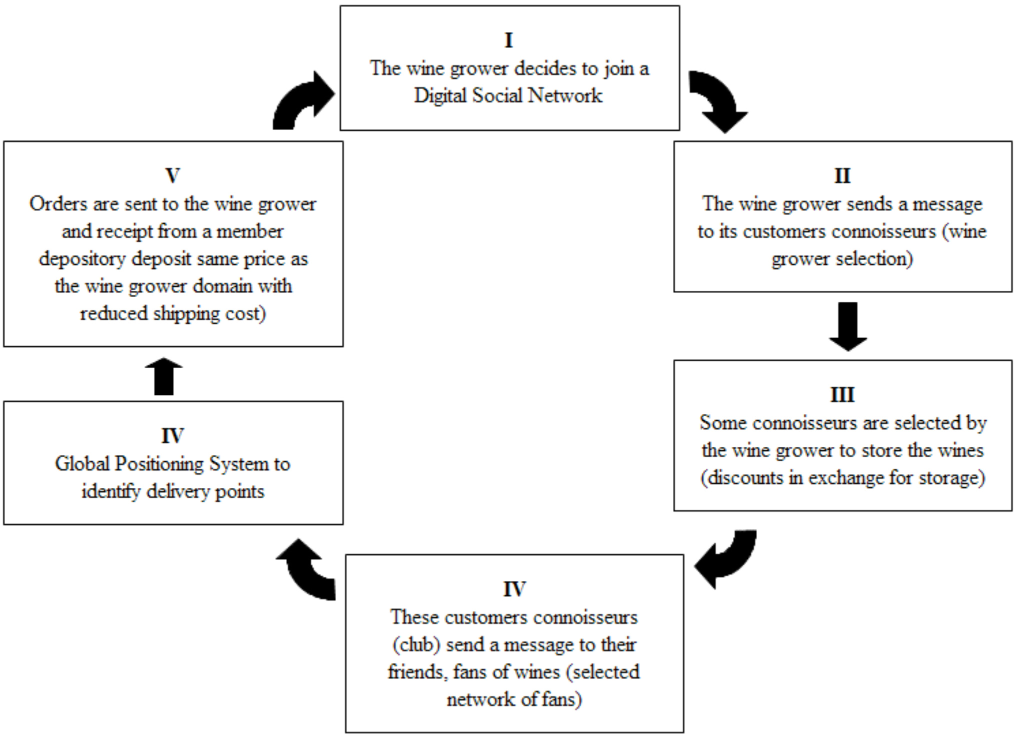

Table 2: Results related to the tested scenario

	Out of 5
A. This scenario is realistic to buy wine with better conditions for the consumer	3.06
B. You will be willing to take part in this new channel as a consumer	3.06
C. You will be willing to take part in this new channel as a connoisseur who will store the wine for the wine-growers	2.2
D. You will trust this new channel easily if the connoisseurs who store the wine are selected by the wine-growers	3.18

As table 1 shows, the proposed scenario is quite realistic (3.06). The people are also quite interested to take part into the system but they don't want to store the wine (2.2). As a consequence, if the producer is choosing himself the connoisseurs who will store the wine, the system may work (3.18).

Some hypotheses to be tested

The willingness to take part in this new channel/scenario as a consumer should be influenced by 5 families of variables since Charters and Mueller (2012) mentioned there are distinct cultural and market developmental differences among cohorts. Therefore, the hypotheses can be formulated as such:

"The willingness of taking part in the proposed scenario is influenced by"

- **Internet habits (H1)**

H1a : the number of hours spent on the Internet on average per week

H1b : the frequency of purchase of any items on the Internet

- **SNS habits (H2)**

H2a : the time spent on average on SNS the day of connection

H2b : the frequency of connection to SNS per week

H2c : the purchase or not of any goods or services based on friends' recommendations issued from SNS

- **Wine purchase habits (H3)**

H3a : the frequency of wine purchase

H3b : the place of main wine purchase

H3c : the average price spent per bottle of wine irrespective of the channel used for the purchase

H3d : the number of wine bottles bought on average per week

- **Mobile habits (H4)**

H4 : the time spent per day on the mobile

- **Socio-demographics (H5)**

H5a : the year of birth

H5b : the level of study

- **Formula**

Y= willingness to take part in this new channel/scenario as a consumer

With the following independent variables:

[all the expected signs should be positive, except for those variables with a (-)]

- X1=Number of hours spent on the Internet on average per week
- X2=Frequency of purchase of any items on the Internet
- X3= time spent on average on SNS the day of connection
- X4=Frequency of connection to SNS per week
- X5=Purchase or not of any goods or services based on friends' recommendations issued from SNS
- X6= Frequency of wine purchase
- X7= the place of main wine purchase (from generalist store to specialist stores)
- X8= Average price spent per bottle of wine irrespective of the channel used for the purchase (-)
- X9=number of wine bottles bought on average per week
- X10=Time spent per day on the mobile
- X11= Year of birth (-)
- X12=Level of study

Only 121 Y-consumers have accepted to assess the scenario and the results show that the R2 is very weak 0.17. So we decided to take into account the scores above 3 for Y and run a regression with a sample of 88 observations. In this case, we notice that the R2 is increasing and reaches 0.28. We can also pinpoint based on the table below that two hypotheses are valid: H4 and H5a. It means the younger the people the more they will be willing to take part into the theoretical scenario. Furthermore, the more time they spend on their mobile, the more they are willing to accept this scenario.

Table 2 Results obtained by linear regression with a score > 3

	Coefficients	**Statistique t**
Constante	116.36	2.99
Variable X 1	0.00	0.17
Variable X 2	0.00	1.07
Variable X 3	-0.05	-1.49
Variable X 4	0.00	0.37
Variable X 5	0.03	0.25
Variable X 6	0.00	0.28
Variable X 7	0.02	0.50
Variable X 8	0.02	1.67
Variable X 9	-0.08	-0.52
Variable X 10	0.00	2.92
Variable X 11	-0.06	-2.92
Variable X 12	0.02	0.14

Some further quantitative analysis and data collection should be made in order to be able to open the discussion since the sample is small: 88. Furthermore, we can observe that nearly all the Y-Generation use Facebook (93.2%), and therefore, the scenario we propose might be interested for the Y-Gen if they want to purchase wine with a lower price (transportation cost and price at the estate) especially since a lot of them consume rather good wines quite often: 43% consume wines above 11€ and 27.4% drink one glass of wine every day.

Conclusion and managerial implications

Experiments on the behavior of the Y-Generation Internet users with their mobiles are still relatively rare. At the same time there is a paucity of research distinguishing among the relationship between mobiles, Social Network Systems and Global Positioning Systems for commerce. This study makes a contribution in this research area by examining these components in m-commerce. Indeed, it helps to discover new effects on consumer behaviour and responses that we did not know before. Our research enabled us to bring to the fore the effects of the design of the interface used on m-commerce websites on consumer buying intention and loyalty. It also shows that wine growers may have to reinforce their strategy to sell more on these types of devices.

Designing m-commerce websites and applications based on SNS that stimulate the feeling of being in a real market or in a real store can give more confidence to users in carrying out commercial transactions issued from peer advice on a SNS for example. It can favor m-commerce loyalty, as far as privacy is preserved.

According to Gefen *et al.* (2003), an e-commerce website is an information technology and it is the primary interface with an online vendor. The same can be said for m-commerce based on the results we obtained during the analysis we conducted. Therefore the design of an m-commerce website is of paramount importance for m-commerce success, influencing customer interaction and behavior. This is already recognized for e-commerce by a large stream of research in information systems which have studied web design and have focused on perceived website quality and website characteristics as factors explaining online consumer behavior (Torkzadeh and Dhillon, 2002; Singh *et al.*, 2005; Hampton-Sosa and Koufaris, 2005). The same remains for m-commerce indisputably.

It appears useful to use different channels to generate interest from the use of SNS and GPS, without hurting customer's trust towards the brand, by protecting data related to his privacy. Based on the assumption that when the user is online, vendors can know where the customer is, what he does, when he visits the website etc., which is not possible with traditional channels (Television, Radio, Newspapers…), or only for catch-tv when connected on the Internet, one can imagine what will now be possible thanks to mobiles. A company can get data and use these as long as it is careful with wording. It has to make sure that it can fully use the collected data by asking things in a transparent manner, stating the real intended use of the disclosed data. Customers will then choose themselves, but will not feel tackled by the company. This will help companies to be honest and transparent about what they do with customer's data and how they use them. Companies will then stay in line with laws and make sure customers realize how much information they really give away. As an example, Blackberry doesn't ask for authorization when using information, whereas Iphone always asks.

Coming from the assumption that 3D is becoming the cornerstone of the next generation of mobiles, it is possible to imagine that users will interact more and more with their devices. Especially if *"bots"*, *"intelligent virtual agents"* or *"intelligent components"* arise on our screens like it seems to be the case. These two predictions, in addition to a mature use of SNS could offer customers an exciting experience of shopping that brands could leverage for their image and probably gain in terms of loyalty with their customer. We can imagine a virtual wine-maker offering advices on the mobile, after detecting that the mobile user was in an area with vineyards around. This would enhance customer's shopping experiences by allowing them to move anywhere they feel good, visit wineries around them while chatting and exchanging information about wines or dishes to be served with particular wines thanks to their friends on a SNS, without having to go to the actual store. All this represents another research opportunity which has to be taken into account and investigated.

Limits

The infancy of m-commerce implies a relative difficulty to gather data about m-consumption. Active users on m-commerce browse and purchase a few items on the mobile web and many brands still don't have the proper interface of their website to fit with mobile screens. As a result, it is not easy to find users with similar interests on the mobile web based on product preferences, directly linked to their browsing and purchasing history.

Further quantitative analyses must be developed based on the data collected among the sample of 190 respondents in order to better understand the relationship between Y-Gen behavior regarding new technologies habits like SNS on m-commerce and wine purchase and consumption. We are actually achieving them.

Bibliography

Allen. P. (2004), *Welcoming Y*. Benefits Canada, 2S{9),5I(3).

Bakewell, C. and Mitchell, V. (2003), Generation Y female consumer decision-making styles. *International Journal of Retail & Distribution Management*. 31(2). p. 95.

Boulaire C., Balloffet P. (1999) « Freins et motivations à l'utilisation d'Internet : une exploration par le biais de métaphores » in *Recherches et Applications en Marketing*, vol. 14, n°1, pp. 21-39.

Celhay, F. (2008), "Le kalimotxo: Cocktail hérétique ou nouvelle opportunité pour la filière vin ?", *Decisions Marketing*, Vol. 52, pp. 67–71

Chowdhury, T.G. and Coulter R.A. (2006), *“Getting a ‘Sense’ of Financial Security for Generation Y”*, in American Marketing Association Conference Proceedings, Chicago, Vol. 17, p. 191.

comScore (2012), *comScore Introduces Mobile Metrix 2.0, Revealing that Social Media Brands Experience Heavy Engagement on Smartphones*, RESTON, VA, May 7, 2012, retrieved from the Internet (url = http://www.comscore.com/Press_Events/Press_Releases/2012/5/Introducing_Mobile_Metrix_2_Insight_into_Mobile_Behavior/) the 09/13/2012

Dias, L. (2003), Generational buying motivations for fashion. *Journal of Fashion Marketing and Management*. 7(1). p. 78.

De Magistris, T. Groot, E. Gracia, A., Albisu, L.-M. (2011), "Do Millennial generation's wine preferences of the “New World” differ from the “Old World”?: A pilot study", *International Journal of Wine Business Research*, Vol. 23 Iss: 2, pp.145 - 160

Djamasbi, S., Tullis,T., Siegel, M., Ng, F., Capozzo, D., and Groezinger, R. (2008), *Generation Y & web design: usability testing through eye tracking*. In: Proceedings of the Fourteenth Americas Conference on Information Systems. Toronto, Canada.

Eisner, S.P. (2005), Managing Generation Y, SAM *Advanced Management Journal*, Vol.70. Issue 4.

Filser M. (2005), *Commerce et distribution : prospective et stratégies, s*ous la direction de Olivier Badot, Marc Benoun ; avec la collaboration de Syrine Fehri ; préface de Marc Filser, cop. 2005

Fountain J., Lamb C., (2011), "Generation Y as young wine consumers in New Zealand: how do they differ from Generation X?", *International Journal of Wine Business Research*, Vol. 23 Iss: 2, pp.107 – 124

Gefen D., Karahanna E. and Straub D.W. (2003) Trust and TAM in Online Shopping: An Integrated Model. *MIS Quarterly*, (27)1, 51-90.

Hachette-Vin (2012), retrieved from the Internet the 3rd of June 2012 at http://www.hachette-vins.com/forum/

Hampton-Sosa W. and Koufaris M. (2005) The Effect of Web Site Perceptions on Initial Trust in the Owner Company, *International Journal of Electronic Commerce*, 10(1), 55-81.

Kakihara, M., and Sorensen, C. (2001), Expanding the "mobility" concept. ACM SIGGROUP Bulletin, 22, 3, 33-37.

Kotler, P. (2003), *Marketing Management*. 11th Ed. New Jersey: Prentice Hall.

Lee Y.E. and Benbasat I. (2004), A Framework for the Study of Customer Interface Design for Mobile Commerce, *International Journal of Electronic Commerce*, Vol. 8, No. 3, pp. 79-102

Lenhart A., Purcell K., Smith A. and Zickuhr K. (2011), *Social Media and Young Adults*, Pew Internet & American Life Project (2011), Pew Research Center, retrieved from the Internet on February 2011 at http://www.pewinternet.org/Reports/2010/Social-Media-and-Young-Adults.aspx

Lescohier, J. (2006), *"Generation Y… Why Not?"* Rental Product News, Vol. 28, pp. 40-44.

Lewis. K. R. (2003), Managing multiple generations in the workplace can be a challenge. Newhouse News Service.

Maamar Z. (2003). *Commerce, E-Commerce, and m-commerce: What Comes Next?* Communications of the ACM, December 2003/Vol. 46, No. 12ve, pp.251-256

Mueller, S., Charters, S. (2011). Generation Y and wine, guest editorial. *International Journal of Wine Business Research*, Vol. 23 (2).

Mueller, S. Remaud, H. and Chabin, Y. (2011) "How strong and generalisable is the Generation Y effect? A cross-cultural study for wine", *International Journal of Wine Business Research*, Vol. 23 Iss: 2, pp.125 - 144

Neuborne, E. and Kerwin, K. (1999). *"Generation Y"*, Business Week, p. 46-50

Ngai, E. W. T., and Gunasekaran, A.(2007), A review for mobile commerce research and applications. *Decision Support Systems*, 43, 1, 3–15.

Nielsen (2007, October). *Online global consumer study*. Retrieved October 1, 2007, from http://en-us.nielsen.com/main/news/news_releases/2007/october/Word-of-Mouth_the_Most_Powerful_Selling_Tool__Nielsen_Global_Survey

Norum, P.S., (2003). 'Examination of generational differences in household apparel expenditures', *Family and Consumer Sciences Research Journal*, Vol. 32, No. 1, pp. 52-75.

Nowak, L., Thach, L. and Olsen, J.E. (2006), “Wowing the millennials: creating brand equity in the wine industry”, *Journal of Product & Brand Management*, Vol. 15 No. 5, pp. 316–23

Paul, P. (2001). *Getting inside Gen Y*. American Demographics. 23(9). pp. 42-49.

Raines, C. (2002). *Managing millenials. Generations At Work*. Retrieved on October 29, 2004, from http://www.generationsatwork.com

Ritchie, C., Ritchie, F. and Ward, R. (2009), “A good night out: alcohol-related behaviour in young adults”, *Worldwide Hospitality & Tourism Themes*, Vol. 1 No. 2, pp. 169–93

Schummer, T. (2001). *GAMA-Mall: shopping in communities*. In Proceedings of the Second International Workshop on Electronic Commerce (WELCOM’2001), Heidelberg, Germany.

Singh N., Dalal N. and Spears N. (2005) Understanding Web home page perception, *European Journal of Information Systems*, 14, 288-302.

Sujansky, i. (2004, April). Leading a multi-generational workforce. *Occupational Health and Safety*. 73(4). 16-18.

Thach, L. and Olsen, J.E. (2004), “The search for new wine consumers: marketing focus on consumer lifeStyle or lifeCycle?”, *International Journal of Wine Marketing*, Vol. 16 No. 4, pp. 44–57

Thach, E. (2005). *Market Segment Analysis to Target Young Adult Wine Drinkers*. Wine, Business Monthly. Retrieved March 20, 2006 from http://www.winebusiness.com/html/MonthlyArticle.cfm?dataId=41527

Thach, L. and Olsen, J.E. (2006), “Market segment analysis to target young adult wine drinkers”, *Agribusiness*, Vol. 22 No. 3, pp. 307–22.

Torkzadeh G. and Dhillon G. (2002) Measuring Factors that Influence Success of Internet Commerce, *Information Systems Research*, 13(2), 187-204.

Venkatesh, V., Ramesh, V. and Massey, A. P.(2003), *Understanding usability in mobile commerce*. Communications of the ACM, 46, 12, 53–56.

Appendices

Appendix 1: Interview guide questions used for data collection and relationship to research objectives

Question	Research objective
1. Phase of introduction: use of Social Networks Systems on Mobile a. Do you own a mobile? b. Which brand is it? (iPhone, Blackberry, HTC, Nokia, Samsung, Motorola, Sony Ericsson, other?) c. Which operating system is it? (Nokia's Symbian, Google's Android, Apple's iOS, RIM's BlackBerry OS, Microsoft's Windows Phone, Linux, Palm/HP's WebOS, Samsung's Bada, Nokia's Maemo, MeeGo) d. Are you registered on a Digital Social Network (SNS) or social application? e. If you are, which one is it/are they? (Foursquare, Groupon, Shopkick, YouTube, Daily Motion, Viadeo, Flickr, Picasa, Deezer, Del.icio.us, Twitter, Facebook, Viadeo, LinkedIn, Wikipedia, Netvibes, iGoogle) f. Do you use your SNS on your mobile? g. Which SNS and social applications do you use on your mobile? (Foursquare, Groupon, Shopkick, YouTube, Daily Motion, Viadeo, Flickr, Picasa, Deezer, Del.icio.us, Twitter, Facebook, Viadeo, LinkedIn, Wikipedia, Netvibes, iGoogle) h. What do you do with your mobile? (surfing the Internet, using a Global Positioning System, using a SNS such as Facebook, Other ? i. Do you use a location-based application on your mobile? j. Which one(s)? k. Why? l. In what way(s) do you use it/them?	Learning about the use of SNS a mobile.
2. Phase of centering the subject: a. Do you use your mobile for shopping? b. If yes, what site do you mostly visit for shopping? For example (amazon.com,...) c. What do you use your mobile for mostly? (buying a train ticket, a party ticket, a book or anything else) d. What are your feelings when using your mobile to buy something online? e. Do you think shopping online using your mobile is different from shopping online using your PC/laptop? Why / why not?	Investigation into the use of the mobile for shopping on it in comparison to the use of a computer (desktop, laptop).
3. Phase of deepening **Topic 1: Mobile and SNS** a. What do you think is important to use your mobile for apart from making calls and sending SMSs? b. What represents a SNS/social application which you have found rich, captivating and pleasant to interact	The aspects in terms of design count in the consumer's appreciation. But at which level ? Qualitative adjectives (rich, captivating…) can enhance the consumer's description of a mobile commercial website, as a way to help him.

<table>
<tr>
<td>
with on a mobile?
Topic 2: Emotions and feelings felt following the consultation of a commercial mobile website

a. Could you describe the feelings that you associate with a SNS or a social application when using it on your mobile?
b. User called his friend:
“ Yesterday, I was walking on a street and I received a SMS on my mobile phone, indicating that the restaurant of the X brand in the same street was offering me a free aperitif if I turned up within the next hour. I must say that I am a fan of the X brand on Facebook. I have left the location based application of my Facebook account activated, in order to be located anywhere anytime. At the same time, the restaurant has learnt that I was also fan of a particular wine, and that my friends were also fans of the food they cook, and the wine they serve, so invitations have been sent to my friends as well.”

(To be read again several times if necessary)

Your opinion?

a. Do you think you have already experienced these states?
b. If so, could you speak to me about an experience of this kind by describing a SNS or social application for example?
c. Did you actually accept the offer or follow the suggestion made?
d. According to you, why did you live these states?
Topic 3: Antecedents of the behavioral approach

a. What encourages you to trust a particular SNS/social application and not another?
b. What factors would make you trust a SNS/social application?
c. Why/for which use would you trust a SNS/social application?
d. According to you what makes you spend more time on a SNS/social application than on another?
e. In your opinion what makes you switch to a m-commerce website from another?
f. What are the factors which encourage you from revisiting a particular website on your mobile?
g. What are the factors which discourage you from revisiting a particular website on your mobile?
</td>
<td>
The vocabulary dedicated to feelings contributes to feed our understanding of aspects linked to the perception.

The projective technique is helpful since consumers do not have to invent anything. They can try to remember a past navigation, which seemed close to a perfect one in order to compare it with a normal navigation on an e-commerce website.

The interview is then based on the interviewee’s perception after he has visited such a mobile website. He is asked to describe this period in order to relate particular lived states, particularly on trust concerns. The reason why he experienced these states is then questioned with the objective to elicit sentences dedicated to emotional states.

The question we asked in order to understand behavior when facing an m-commerce website targets the consumer’s loyalty. Questions were thus oriented towards the ease of use and ease of surfing the website as well as questions linked to ergonomic and interest to the website aspects.
</td>
</tr>
<tr>
<td>
Phase of conclusion

a. What makes you say, after having visited an m-commerce website: “I will stay loyal with this website”?
b. Can you think of any ideal m-commerce website? What makes it ideal?
</td>
<td>
During the conclusion phase, we tried to get ideas related to the best conditions participants would like to have experienced when shopping on the Internet using their mobile.

An emphasis on an ideal m-shopping experience
</td>
</tr>
</table>

	on the Internet was then explored.

Appendix 2: Characteristics of the sample of respondents

Demographic characteristics	Category	Number of respondents
Gender	Female Male	94 96
Age	1997 1996 1994 1993 1992 1991 1990 1989 1988 1987 1986 1985 1983 1982 1981 1980	1 1 2 40 37 19 25 20 9 13 2 6 4 1 6 3
Smartphone possession	Own a Smartphone • I-phone • Android • Blackberry Own a classic phone	56,8% 28,4% 18,4% 25,3% 32,1%
Activities practiced on their mobile	Visit SNS Make picture GPS Skype Youtube Look for information on the Internet Buy products • Books • CD • Clothes • Transport ticket • FMGG[1] • Wine	62,1% 73,7% 40% 9,5% 38,4% 55,3% 16,8% 2,6% 2,6% 3,7% 4,2% 1,1% 1,1%
Education level	Elementary High School University	7 18 166
Profession	Farmer Craftsman, shopkeeper Entrepreneur Executive, engineer, professor Technician Liberal profession	1 4 4 1 4 3

[1] Fast Moving Consumer Goods

	Employee Worker Unemployed Student	19 6 1 114
Income per month	0-10.000 USD 10.001-30.000 USD 30.001-50.000 USD 50.001-70.000 USD Above 70.000 USD	132 28 5 3 0
Expertise	Work in the wine sector	10
Country of residence	USA UK Sweden SA Lituania Germany France China Canada	3 12 5 1 10 5 152 1 1
Nationality	France Lituanian Swedish Germany China UK US Brazil, Greece, India, Japan, Portugal, Roumania, Slovakia, Spain	146 10 5 8 4 4 5 1

Appendix 3: Scenario to be tested

A and Z come from different places within a country, however, they have a mutual friend C. Or maybe A knows B, B knows C, and perhaps C knows Z. It would be interesting, if A loves wine from a particular region, and if C goes to this region to buy some wines the following weekend, as he also likes this drink, he brings a box of 6 bottles for A. A and C do not know each other but they met on a social network for "fans" of wine from the same region, through B, who although does not appreciate the wine is still friends with A and C on the SNS site. Thereby, thanks to the creation of a community of consumers who receive goods for other clients in exchange for trade privileges, the wine grower can expect higher wine sales.

Group orders also significantly reduce logistics costs, but may also be less expensive, thanks to group discounts. These depend on the volume ordered but also from the commercial gesture of the wine grower. Everyone wins because the seller centralises all controls. There is only one relay from his DNS. This incurs less cost, and buyers also pay less. The trustees may receive trade benefits such as discounts, samples or private offers from the e-commerce website or producer through DNS for each approved order. Each customer must have previously created a profile on the social network or on the page of an existing SNS. Location and preferences of e-commerce website can be indicated upon registration. An availability schedule is provided for the buyer to collect their orders. When purchasing, the consumer indicates his or her social network identifiers, and a list of potential ‘catchers’ is proposed. The customer chooses the ‘catcher’ living closest or the most reliable based on online ratings. The producer is then noted receipt, as the “depositary”. This system would allow the consumer to obtain the wines at prices identical to those in the estate while greatly reducing transport costs for the wine grower. It would help to increase sales and cover underserved areas in terms of physical distribution. This system is made possible by a Global Positioning System interface available on the DNS that allows a view of the location of all the experts acting as custodian for the other network members. Meanwhile, word-of-mouth rapidly increases the size of the community of connoisseurs.