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Intergenerational Analysis of Consumer Behaviour on the Beer Market

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Abstract

This paper deals with the analysis of consumer behaviour on the beer market. The main goal is to investigate how consumer behaviour differs across distinct age groups (Generation X and Generation Y) and across two European markets (Czech, British). The study is based on on-line survey conducted in both countries. The findings indicate the substantial effect of age categories on discussed attributes of consumer behaviour (frequency of beer consumption, beer criteria preference, brand loyalty, brand switching). This article also attempts to find reasons for brand switching. Namely change in a beer quality (taste) represents key issue for this problem.

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Keywords: Generation X; generation Y; beer market; consumer behaviour; brand preference; brand loyalty

1. Introduction

This research is going to take place on the beer market of two European countries, i.e. the Czech Republic and the UK, which will serve as a ground to conduct the study. Beer industry is highly competitive and concentrated with few huge corporations holding the vast majority of the market share. Beer as an alcoholic beverage has been brewed for thousands of years, though its form considerably differed from the modern beer (Swinnen, 2011). The consumption of beer is generally increasing, with the Czech Republic and the UK being countries with relatively high consumption, so-called “drinking nations” (Swinnen, 2011). When it comes to brand loyalty, Czechs appear to

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be driven by quality and taste of beer (Vinopal, 2004) whereas Britons are influenced more by advertising (Orr, 2014).

This paper focuses on searching how consumer behaviour differs across distinct age groups. In order to make the comparisons, two age categories were selected. Generation X, people born at the turn of 60's and 70's of the last century, are known to be highly brand loyal and convinced about their brands (Jennings, 2012), while Millennials appear to be the very opposite; born during the last two decades of 20th century and in favour of experimenting and instability in terms of sticking to proven brands (Cioletti, 2013).

2. Literature review

2.1. Consumer behaviour

Consumer behaviour is a field of study, which witnesses great attention from marketers. People buy things to satisfy various needs every day and make purchase decisions which affect not only themselves, but also their families, environment and most importantly, businesses which they buy the goods from. Therefore, it is essential to understand the way people buy and reasons for such purchases (Blythe, 2013). Moreover, businesses should be aware of the experience consumers get from purchase, which often affect future consumer acting. Thus, building customer loyalty is another aspect which should be clearly understood by business and in its importance goes hand in hand with understanding consumer behaviour.

Consumer behaviour is a process when people “select, purchase, use or dispose of a product, services, ideas or experiences to satisfy needs and desires” (Solomon, 2013, p. 31). Blackwell, Miniard & Engel (2001) define the consumer behaviour as a field of study focusing on consumer activities and analysing simply “why people buy”.

For this research consumption and post-consumption evaluation is relevant as these have an impact on brand loyalty. Consumers may be divided into three clusters according to the level of product consumption; heavy, moderate and light users. Simple rule stands here, heavy users display highest level of consumption and are known as a primary target market as most of profits comes selling to them and tend to be more loyal, which appears to be corroborated by what Geraghty (2007), when conducting a research on Irish alcohol market, found, i.e. people who consume beer more often tend to be also more loyal. Light users are quite the opposite and are likely to switch the brands more often. Moderate are in the middle of these two.

2.2. Brand equity

Brand is “a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors” (American Marketing Association, cited by Kotler & Keller, 2012). The very basic purpose of branding is to distinguish products of one producer from another's (Kotler & Keller, 2012). In this process, brand equity is important aspect.

Aaker & Joachimsthaler (2002) explain brand equity as “the brand assets (or liabilities) linked to a brand's name or symbol that add to [...] a product or service” (p. 17). Brand equity is utility added to a product by a brand name and is important as a symbol of (1) quality, which is linked to differentiation of a product from competitors and (2) consistency, which basically makes people aware of what to expect (Kardes, 1999). In close connection with brand equity in terms of the consumers' perception of a brand stands the brand mantra (slogan). Dahlén & Rosengren (2005) consider the brand slogan as a (1) prime brand associations which might affect the brand evaluations in terms of consumer's perception of these associations and as a (2) direct carrier of brand equity symbolizing customers' favour for the product. Here are some examples of beer brands slogans (see Table 1):

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