HOW FOOD DELIVERY SERVICES IN VIETNAM ACCOMMODATE MILENNIALS AND GENERATION Z

Case Company: Delivery Now

Abstract

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Abstract
Today in the ever-expanding digitalized world, ordering food home through online services is extremely popular. As a matter of fact, the market for food delivery service is growing strong all over the world. To capture the interest of potential customers, food delivery services must understand the decision journey that costumers take and use the knowledge to their advantage. However, not all consumers behave similarly along the decision journey. This is due to the difference in generation among existing consumers. Currently, Millennials are becoming the main buying power in the economy, with Generation Z following closely behind. The market of food delivery service is booming in Vietnam, with most consumers are Millennials and Generation Z. This thesis attempts to provide insight into the Vietnamese Millennials and Generation Z's decision journey for case company — Delivery Now.
The thesis uses inductive reasoning approach and employs both qualitative and quantitative research methods. Qualitative methods are used to analyze answers from interviews and quantitative methods are used for interpreting data from the survey. The study used both primary and secondary data. Primary data are gathered from interviews with Delivery Now users and from an online survey distributed to Vietnamese. Secondary data comes from books, peer-reviewed articles.
The findings of the research show Vietnamese Millennials and Generation Z use food delivery services to satisfy their need for convenience in life. This is where they first enter the decision-making journey. They look for information through Google and social medias (mainly Facebook and Instagram), highly trust friends' recommendations that used food delivery services before. Recommendations are provided for the case company based on the findings.

Keywords: customer decision journey, food delivery services, Vietnam Generation Z, Vietnam Millennials

CONTENTS

1 INTRODUCTION

1.1 Research Background

This chapter is written with the aim of introducing readers to the governing idea behind this thesis and the overview of how this writing is structured. The author familiarizes readers with the thesis background, objectives and limitations. The theoretical framework chapter details the main theories used in this study. Research methods and data collection methods are also explained. The final chapter gives light to the structure of this thesis.

The landscape of food delivery services is rapidly changing with the increase of mobile devices and digitalization. Currently the food delivery services industry values at €83 billion worldwide with a growth rate of 3.5% in the upcoming five years. (Hirschberg et al. 2016.) Vietnam's foodservice industry is the third largest in the ASEAN area, valuing at USD21.3 in 2015, having grown at an annual compound rate of 15.4% since 2011 (Acheson 2016). As of 2016, there are up to 540 000 Food and Beverage service stores across Viet Nam. Out of that number, 430 000 are small sized restaurants business, 7000 are fast-food stores, 22 000 are coffee shops and over 80 000 are restaurants that belongs to a well-known chain. (Dantri.com.vn 2018.) Over the year, the number has been increasing steadily, giving customers more options than ever before. According to the report of General Statistics Office of Vietnam (2018), up until October 2018, there are 5700 new restaurants business opening, an increase of 42.5% compared to the same period of 2017. Rapid urbanization, surge in spending and increased middle class size are the primary reasons driving this growth (Davis 2016). Over the period of 20 years, from 1996 to 2016, Vietnam's annual GDP per capita grew at 5%, enough to move low and lower middle-income one income bracket up (Cadena et al. 2018, 2). Vietnam's working culture also drives food and beverage industry forward. Vietnamese employees build trust with others outside of office hour by eating out and drinking. Companies in Vietnam set aside a budget for their team members and employees for restaurant dasy and after work drinking every few month. (Agilevietnam 2014.)

Out-of-home consumption of food and beverage is divided into seven sectors with two main sectors: full-service restaurants (fine dining restaurants and fast casual restaurants) and quick service restaurants (coffee/tea, burger, ice cream, etc.). 76% of out-of-home consumption market comes from these two segments and the remaining 24% market share is split among street food, convenience stores, bars and clubs and hotels. On average, in 2015, Vietnamese spends about VND470,000 (=€17.37) per month for out-of-

home consumption with most of it into fine dining (full-service restaurant at VND265,000 (= €9.79). While street food is the most affordable choice for dining out at VND35,000 (=€13.94) per person and is the embodiment of Vietnamese cuisine, it represents only 11% of the total out-of-home food and beverage consumption nowadays. (Louedec 2017.) When choosing a location to eat out, Vietnamese values accessibility first and foremost, among many other considerations. 63% of respondents to a survey of criteria for choosing restaurants for eat-out put emphasize on location, with cleanliness and food quality each accounting for 34% (Davis 2016).

However, location is no longer a liability for food and beverage industry. With the rise of technology, food delivery service is seeing an exponential growth in recent years. Nine out of ten Vietnamese have access to Internet via smartphones. At the moment, online ordering accounts for almost half of all food delivery orders in big cities (Das 2017). Various food delivery service platforms such as now.vn, vietnammm.com, and Grab Food have been pushing forward to accomodate this switch in the out-of-home food and beverage consumption market. Home food delivery segment in Vietnam worths USD1,000m (=€879m) in 2015 and is predicted to value at USD11,000m (=€9,676m) in 2020, achieving 11% growth (Dutton & Gordon 2016).

Generational marketing is requisite in every sector of business. People from the same generation generally share the same experience, worldview and hold similar values. By dividing customers into their generation class, business can tailor messages that form direct connection between individuals and the brand. (Knowles 2017.) Millennials are those born from 1981 to 1996. In 2019, their age range ranges from 23-38, making them the prominent generation in workplace as well as consumption of goods and services. Post-Millennials, or Generation Z, are those born from 1997 onwards. (Dimock 2018.) In 2019, the oldest Generation Z is 22 years old with the majority of Generation Z fall within the age range of 13 to 18, making them the successors of Millennials. In the upcoming decade, Millennials possess the most buying power, with the first of Generation Z slowly entering the workforce. Millennials and Gen Z are the coming generations food delivery services will need to cater to. Millennials accounts for 30% of Vietnam population, about 27 million people, while Gen Z numbers at 14 million. There are significant differences between the two generations, however, they share one thing in common. Both Millennials and Gen Z have significant online presence. In 2017, 28.77 million people in Vietnam use smartphones, accounting for 28.5% of population, and by 2021, 40% of population are smartphone users (Statista 2018a). On average, Vietnamese spend seven hours every day online (Ashwill 2018). However, Vietnamese consumers are amongt the most demanding consumers online and have the lowest trust on e-purchasing (Viet Nam News

2017). A survey found that 65% of respondents are wary of shopping online and are highly concerned about their online privacy (VOV 2017). To stay on top of online business scape, food delivery services in Vietnam are required to have a deep understanding of their customers base and their online habits.

The case company that the author selects is a prominent player in the food delivery service sector in Vietnam, Delivery Now. Delivery Now is a subsidiary of Foody Corporation that offered food delivery services. Delivery Now began in 2012 as an online community for users to search for and recommend restaurants and eat-out locations before growing into a pioneer in food and beverage industry with great online presence, catering to the digitalization of Vietnam. As of now, Delivery Now offers its delivery services in 12 cities in Vietnam, with more than 50000 restaurants in partnership. (now.vn 2018a.) With a market as fast-changing as Vietnam, there are a lot of opportunities and challenges for now.vn to become the first-choice in food delivery services for Vietnam consumers. Competition for home food delivery is high in recent years with the entry of several foreign brands, putting high pressure on keeping a loyal customer's base and attracting new customers Few studies into Vietnamese consumers showed a high rate of switching brands, 79% in 1999 but the statistic dropped to 47% in 2014 (Cohen 2004).

Whenever interacting with a brand by purchasing a product or service, customers always have experience, whether good, bad or indifferent. It could be an experience of customer service, product quality, or something as holistic as how customers feel about the brand they are making purchase with. These points of interaction are called touchpoints. They are the operations that are perceivable to both the companies and customers and belong on the map of customer journey. (Barnes & Kelleher 2018.) No matter what the specific touchpoint is, customer experience in all plays the decisive role in whether customers will keep doing business with the brand. (Hyken 2018.) Customers have the choices and hold power nowadays. They choose a brand or company basing on how well their demands and expectations are met. Therefore, it is crucial for businesses to help customers experience the best the businesses have to offer so that they can acquire new customers, retain one-time customers and gain customers' loyalty. (Klaus 2015, xi.) The author believes that gaining more insight on what customers expect when interacting with Delivery Now would benefit the company markedly.

This study aims to be of assistance to Delivery Now in their insight into the journey Vietnamese Millennials and Generation Z make when using food delivery services, what motivates them to use food delivery services and how they choose a platform to make the orders.

1.2 Thesis Objectives, Research Questions and Limitations

The thesis aims to help case company — Delivery Now — gain a more in-depth view into the journey that Millennials and Generation Z make when ordering food via food delivery service. As time moves on, target generation of case company will move forward as well. New generation will have a different set of requirements and needs and wants to be catered to and satisfied. Therefore, for case company to stay on top of competition as well as become a household name for the upcoming generations of consumers, a deep understanding of how their journey works is of great importance. The thesis focuses on how Millennials and Generation Z find out about food delivery service, the findings of which will help case company create new approach to customers of the coming generations, marketing strategy and answer the expectations of new demographic.

There are three main models of a food delivery services. However, for this thesis, the main discussion will be focused on third-party food delivery business that provides logistics solution to partnered restaurants. A customer journey with food delivery services are comprised of several touchpoints between users (who make orders) and food delivery service provider:

- Customers choose a food delivery service

- Customers enter the website or mobile application

- Customers browse the available selection of foods and drinks and select what they want

- Customers add the food items to cart and review their orders

- Customers make payment

- Customers receive delivery arranged by the food services. (Nibblematrix 2017.)

The scope of this thesis will be narrowed to the first two touchpoints that revolves around marketing to customers.

Research questions plays a crucial role when writing thesis as they act as signposts for the process of data collection and analysis. A good research question should be researchable and specific. (White 2009, 33-59.) The main research question the thesis is attempting to answer is:

How can Delivery Now, a food delivery service, build long-lasting connections with Vietnamese Millennials (age 22-38) and Generation Z (age 14-22) when they interact with the platform?

It is, however, impossible to answer the main research question straight away as it is too broad. Hence the importance of sub-questions; in which sub-questions are less complex and allow answering the main research question in a step-by-step manner. (Swaen 2016.) The sub-questions for this thesis are listed underneath:

What attributes do target group value when choosing a food delivery service?

Where does the target group look for information when considering a food delivery service?

What values do food delivery service bring to target groups?

Customer's decision journey is a broad theme involving touchpoints and consumer experience, where companies reach out to potential customers. The sub-questions are to help the company direct limited resources for optimal marketing approach to connect with maximum number of potential customers.

No thesis is without limitations. A limitation is an element that has an impact on the research. A limitation appears as a variable researcher cannot control in the study. It is important for clarity as well as veracity to have all limitations listed out for readers and peer-reviewers. (Mauch & Park 2003.) For this thesis, the limitations will be geographical, age, scope limitations. As the focus of this thesis is on Vietnamese consumers and the environment of food delivery business in Vietnam, the study will take statistics from Vietnam market to analyze. Though the food delivery business is growing on a global scale, the growth in Vietnam is applicable for Vietnam market only. The target customers for this thesis are Millennials and Generation Z consumers. Different generations have distinctive experience, expectations, lifestyle and demographic that shape their buying behaviors (Page & Williams 2018). However subtle, there are key differences to what motivates and influence Millennials and Generation Z in Vietnam in their decision journey. Knowing and catering to the specific needs of the target generation is a beneficial tactic for the coming time, but that would spell less focus and resources expended to reach other age group. The findings of this thesis concerns only case company, therefore, the statistics might not be applicable for other companies within the same field. With the rapidly evolving business scenes with factors such as changing technology, politics, environment, the findings of this research might not be applicable in few years' time.

1.3 Theoretical Framework

The thesis aims to help case company Delivery Now gain more insight into Millennials and Generation Z consumers by concentrating on the decision journey of the target group. The

theories discussed are connected to the topic of the research and will provide readers a well-rounded understanding into background of the research topic and the reasons why this research is conducted.

The theoretical framework consists of three chapters, from chapter 2 to chapter 4 according to the table of contents. Chapter 2—Consumer Behavior and Decision Journey—takes on the topic of customer decision journey and customer behavior. It begins with exploring the psychology of motivations and examines the well-known Maslow's Hierarchy of Needs, providing groundwork for deeper understanding of the customer decision journey. Chapter 3—Buyers Age Group—focuses on the similarities and differences in behaviors of Millennials and Generation Z as buyers. The author starts of with a definition section before digging deeper into the behaviors of each generations. The chapter ends with exploring Vietnamese Millennials and Generation Z in Vietnam market. Chapter 4—Food Delivery Services—discovers the history and different business models of food delivery services to give readers a background look into how the business works and how it becomes such an interesting model in modern day business.

1.4   Research Methodology and Data Collection

Research is a methodical study of an issue that begins with a strategy of consistent logic to answer questions posed by theoretical considerations. The strategy starts with choosing a suitable approach, selecting methods, developing data collection procedure, analyzing data before it comes to an end with delivering an answer to the research question (Grover 2015.) When considering the connection between research and theory, there exists several reasoning; however, the two most commonly applied reasoning are deductive reasoning and inductive reasoning. Deductive reasoning denotes the commonly-known relationship between theory and research, researcher deducing a hypothesis then scrutinizing it via empirical study before confirming or rejecting stated hypothesis. Inductive reasoning, in reverse, analyzes gathered data before arriving at theory where all data points converge. To put it in a straightforward manner

- Deductive reasoning is a process in which theory → observed data

- Inductive reasoning is a process in which observed data → theory. (Bell & Bryman 2011, 11-13.)

For this thesis, inductive reasoning is executed. From specific observations of selected sample data size, Vietnamese Millennials and Generation Z consumers in their behavior in using food delivery services, the author will make an encompassing statement, establishing the possibility in the future (Bradford 2017). The limit of inductive reasoning,

however, is that it is incomplete and depends solely on the scale of sample size (Jordan 2018).

The next step in writing a comprehensive thesis is deciding on a research method to collect data. Data collection is defined as the procedure of collecting and estimating data on factors of enthusiasm, in a built up orderly design that empowers one to answer inquiries, expressed research questions, test theories, and assess results. Depending on the field of the research, the essence of information pursued, data collection method varies. There are two main types of data collection methods that researchers usually employ when writing a research paper When choosing an appropriate research collection method. They are quantitative method and qualitative method. (Lewis et al. 2009, 151-152.)

Quantitative method relies on numerical data to gather insights from. The goal of quantitative research is to attain a quantity of numerical data from a group of samples, then to use the results to establish a general statement to a larger group of people to elucidate a phenomenon. Qualitative research method provides an adequately definitive answer to research question, as numbers and values are objective. When the data is collected and analysed according to the systemized procedure, the results are reliable. And finally, if the sample size is significant enough, the findings can be applied to the entire target group. The limitations of quantitative research lie at the fact that it does not account for emotional influence of sampled group nor does it examine the reasons and process behind a phenomenon. (Bhatia 2018.) Researchers must determine a design – strategy of inquiry – for quantitative research based on the scope of the research question. The designs are either experimental and non-experimental. Experiential design refers to the type of research that variables are manipulated and participants are randomly assigned to a condition. (Rachael 2018.) Simply put, experimental design allows researchers to evaluate the correlation between two or more variables (Tierney 2008). Nonexperimental design is the quantitative design where the experimenter only describes or examines a pre-existing group to find connection between variables. The conclusions obtained from nonexperimental design are descriptive by nature. (Salkind 2010.) The most common approach for nonexperimental design is survey research. Survey research yields a numeric description of opinions or trends of a population through studying a sample of chosen population. The data collection of survey research consists of questionnaires or structured interviews with the intent of making a broad statement to a population from the sample size. (Fowler 2008 as cited in Creswell 2014, 84.)

Qualitative research, as opposed to quantitative research, understands the research question from a human point of view, taking into account people's belief, experiences, emotions, behaviours, and interactions. Qualitative data is non-numerical. (Jena et al. 2013, 192.) Another characteristic of qualitative research is that it is subjective. Objectivity is non-existent in the context of qualitative research, where subject's thoughts, views, and interests must be taken into consideration. (Smith 1987, 175.) Qualitative research is advantageous for its nature of probing deeply and procuring valuable descriptive data about a phenomenon through interviews, cultural self-immersion, and observations. However, as qualitative research inspects complex human interactions, bias can consciously or unconsciously influence researcher's conclusion. Studies are not easily generalized to a population. (Dowd 2018.) Qualitative data mostly comes from sources such as interviews, observations, and documents (Patton 2002 as cited in Suter 2012, 344).

In this thesis, the author uses both quantitative research and qualitative research (Figure 1). For quantitative research, a questionnaire is prepared and sent out to the chosen sample size, Vietnamese from the age of 18 to 34 on their usage of food delivery services. Participants answer the questions and the results are analysed by the author to find a correlation between important factors. For qualitative research, the author interviews participants of choice that have experienced the case company's service. The interview attempts to gain personal view on matters regarding case company.

Research Approach	Inductive
Research Method	Qualitative Quantitative
Data Collection	Primary Secondary
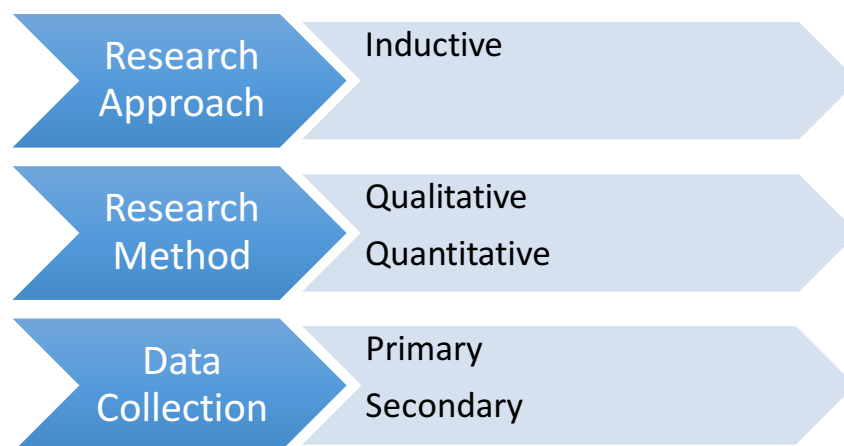
Figure 1 Research Methodologies and Data Collection of This Thesis

The types of data collected for this thesis is discussed in the following paragraph. Data's importance lies in its value in answering questions, understanding a specific issue or testing a hypothesis (At Work 2015). There are two main types of data, primary and secondary. The difference between primary and secondary data lies in the method of gathering data. Primary data are data collected first hand by researcher through the

means of interviews, surveys, experiments. Secondary data, in contrast, are already available and are gathered through published books, articles and journals. (Ullah 2014.) The author will use both primary and secondary data in this thesis. Primary data comprises of information from trustworthy Internet-based articles, scientific journals and books. Secondary data is gathered via surveys and interviews conducted by the author.

1.5 Thesis Structure

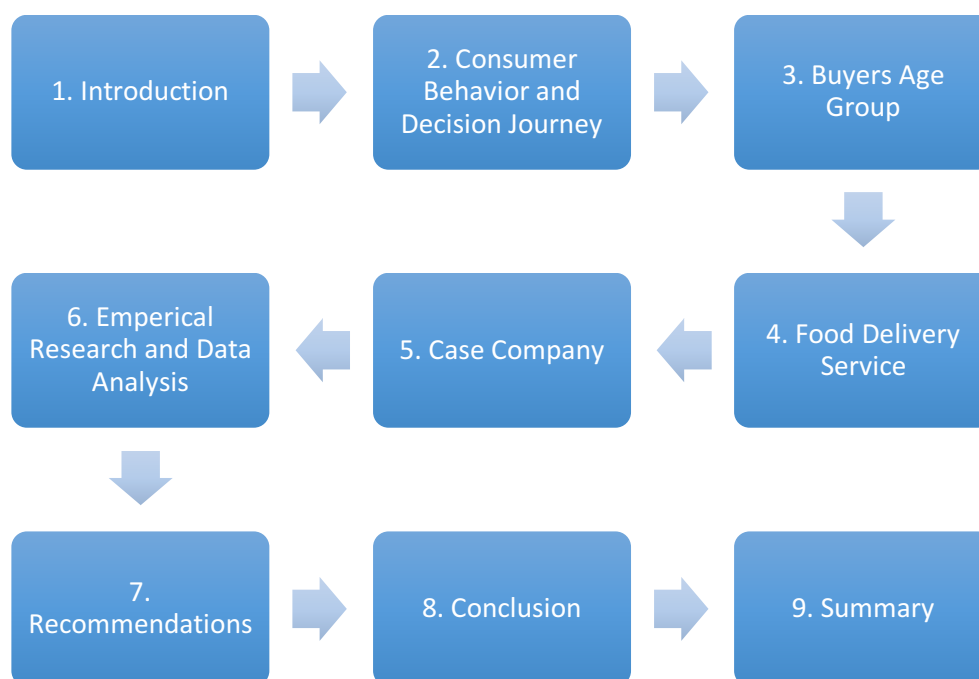The figure underneath visualizes the thesis structure.

Figure 2 Thesis Structure

The thesis begins with the introduction to familiarize readers with the topic chosen and explain the importance of said topic. In the beginning of the introduction chapter, background information, objectives, research questions and limitations are discussed. After that, the research methods and data collection methods used in this research are talked about. The introduction chapter ends with the detail of the whole structure of the thesis.

After the first chapter, the thesis can be broken down into theoretical and empirical part. The theoretical part consists of chapter two, three, and four. Chapter two focuses on consumer behavior and decision journey. It begins with the psychology of motivation in consumer behavior before moving on to discussing needs and wants before arriving at the framework of decision journey. Chapter three focuses on generation among consumers,

then goes deeper into Vietnamese Millennials and Gen Z. Chapter four briefly explains the history, business models and current situation of food delivery services.

Chapter five introduces case company, Delivery Now. The company's models, current marketing situation and competitors are explained. Chapter six is empirical research and data analysis. In chapter six, the process of data collection and research process is described. Chapter seven uses the results from chapter six to provide recommendations for case company.

Chapter eight contains answers to the main research question and all sub-questions. The validity and reliability is also explained in chapter eight. This thesis ends at chapter 9, summary.

2 CONSUMER BEHAVIOR AND DECISION JOURNEY

2.1 Consumer Behavior: Psychological Influence – Motivation

Business is the action of selling saleable assets to voluntary buyers for a gain. For a business to exist in a long term, maintaining a good relationship with buyers lies at the very core. By attracting customers and obtaining the full cost of what they sell, business generates enough profit to recompense for the labor, investment and risk involved. What set business apart from other enterprises, such as government, is the need of constant attention and continuous effort to generate profitable takings for survival.

The concept of exchanging goods at a profit possibly came into existence as early as five thousand years ago in Mesopotamia. During Roman Empire, the early foundation of business operations was set up and the link between money, markets and business later influenced European modern consumerism economics. (Roberts 2011, 1-2.)

Consumers play a vital role in the survival of the economy of a nation. Consumers create demand for products or services to be produced and pay for the delivery of products and/or services. Whether being aware of it or not, customers' decision to purchase a good over the other impacts the future of a business in the market (Essock 1978). Without consumer demand, business is without the motivation to produce and keep the economy circulating. Therefore, knowing what the needs and wants of customers and what motivates customers to make the purchase is essential to every business.

In this section, the author talks about the psychology consumer behavior before delving deeper into the two main models of mapping consumer decision journey, the funnel and the circular. The author will apply the circular funnel for case company study, Delivery Now. The reason for this choice is due to the fact the circular consumer decision journey considers touchpoints, a concept prevalence in today's brands interaction with consumers.

Consumer behavior involves not a single action, but an entire complicated process. Consumer behavior is much more than the act of purchasing a product. Several models exist to give logical visual to the process of consumer behavior. For this thesis, the author uses a consumer behavior model with four domains:

- Psychological core

- The decision-making process

- The consumers' culture

- Consumers behavior outcomes and issues. (Hoyer et al. 2012, 1.)

The focus of this part, however, is placed in the psychological core, specifically the motivation factor (section 2.1) and decision-making process (section 2.2).

2.1.1 Consumer Behavior in Brief

Consumer behavior is a broad term that covers every activity consumers engage in and their psychological response to the purchase, use and disposal of goods and services. To make the definition clearer, definitions of 'consumers', 'consumer activities', and 'consumer response' are examined.

The label 'consumers' encompasses both individual and organizational consumers. Individual consumers purchase goods and services to satisfy their personal needs and wants. Individual consumers can be anyone, no matter age, race, ethnicity, nationality, gender. Organizational consumers make purchase for production of other goods and services, for reselling to other organizational consumers or individual consumers or for running their own organizations. Organizational consumers consist of both for-profit companies (retailers, wholesalers, manufacturers) and non-profit companies (charities, schools, governmental institutions). (Cline et al. 2011, 8-11.)

Consumers activities are the action of purchasing, using and discarding goods and services. Purchasing activities refer to consumers' actions of acquiring goods and services, and every action that leads up to the point of making the purchase, such as gathering information, researching, comparing. There are many factors affecting purchasing activities, such as the method of purchasing, deliveries and additional services. Situational factors like the atmosphere of the shop, interface of a website also exert influence on purchasing activities. Using activities refer to the how, when, and where consumption happens. Whether the goods or products are used immediately or later, in whole or in parts, these are all using activities. Disposal activities refer to how the consumers discard goods or services after usage.

Consumer responses look into consumers' emotional, mental and behavioral reactions to goods and the marketing of goods. Emotional responses denote a customer's emotions and feelings with regards to goods or services. Mental responses pay attention to the thoughts process, beliefs, goals and perspective of consumers towards goods and services. Mental responses are either evaluative, assigning values to goods and services, or non-evaluative, specific to a single product or general to an entire category of product. Lastly, behavioral responses are the actions customers take during the purchase, use, and disposal activities. For example, prior to purchase activities, consumers read reviews

of goods and services online, try a sample; while using the goods or services, consumers might commend the goods or services to friends. (Cline et al. 2011, 8-11.)

Understanding of consumer behavior is vital to businesses, as businesses know what influence consumers' buying decision and why. It makes it possible for business, specifically marketers, to identify which products are needed and which are no longer worthy in the market. In addition to that, it also assists marketers in knowing how to best present their products to have the maximum effects on consumers and to shorten the bridge between consumers and companies. (Nawal 2018.)

2.1.2 Psychology of Motivation

Motivation is defined as the process where an individual direct effort into sustaining and achieving goal-guided activities (Schunk, Pintrich, & Meece 2008 as cited in Ryan 2012, 13). Motivation can be intrinsic or extrinsic, internally driven or externally stimulated. The success of a motivated behavior sequence, however, depends on a lot of factors: the volume of energy exerted, the guidance of a consistent and effectual system. People's motivation in general are susceptible to depletion and distraction after a period. (Ryan 2012, 3.)

Humans are goal-inspired creatures, moving towards according to an organized set of activities internally designed to reach a goal. A goal can be something as direct as obtaining water or as vague as perceiving the meaning of lives. However, having a goal is not enough. To achieve the goal, there are several criteria that must be met. These criteria are also known as the three main elements to motivation:

- activation

- persistence

- intensity.

Activation entails the decision of instigating a behavior; persistence points to the continued pursuit of the goal despite hardships and difficulties; intensity refers to one's effort and energy put into reaching the goal. (Cherry 2018.) To better understand the three stages of motivation, an example of a student wanting to improve her piano skill is given. The student starts working towards the goal by first enrolling herself in a piano class. This is the activation component of motivation. A certificate of proficiency requires taking an advanced class. Despite the significant investment of time, energy, and resources, the student takes extra class. This is the persistence component of motivation. The student

practices piano regularly outside of class, participating in musical workshop. This illustrates intensity component of motivation.

The study of motivation begun in the early 20th century and has since played a pivotal role in both behavioral science and its practicality in real life. Motivation lies at the bottom line of everything, from productivity at work to abiding to workplace rules. Considering that everything requires human energy and dedication to be made reality, understanding motivation is vital, both in psychology and life. (Ryan 2012, 9.)

2.1.3   Maslow's Theory of Motivation, Marketing and Digital Evolution

One of the most well-known motivational theories is A. H. Maslow's theory of motivation, also known as Maslow's Hierarchy of Needs. Maslow proposed that human on a whole has five basic needs that arranged themselves in hierarchical prepotency (Maslow 1943, 18). The needs are usually presented in the form of a triangle at a particular order. Needs lower down must be satisfied before a person can concentrate on fulfilling needs higher up. (McLeod 2018.)
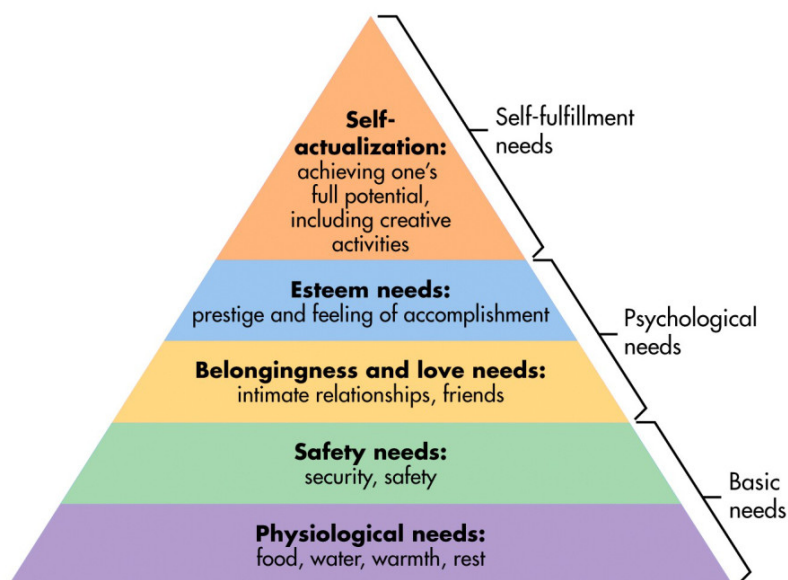

Figure 3 Maslow's Hierarchy of Needs presented in triangle diagram (McLeod 2018)

As seen from figure 3, at the bottom of the triangle, the lowest needs, is the physiological needs, the basic needs of all human beings for functional physical bodies. The needs can be fulfilled by eating, drinking, resting, and other bodily functions. (Kremer and Hammond 2013). Physiological needs are considered unusual, in the aspect that they are independent of other motivations and the most important needs. If all the needs are not fulfilled, the human beings will be driven by the physiological needs, and all other needs

will be pushed to the back. A person short of food, safety, meaningful relationships, and esteem would most likely desire for food over anything else.

Once the physiological needs are satisfied, the needs for safety arises. It is vague to understand safety needs from the viewpoint of an adult human being, as adults in the society are taught to restraint reactions in the event of their safety needs are threatened. (Maslow 1943, 5-7). To put it simply, safety needs are the wish to be safe and secure, to ensure that the physiological needs can be met in the future, the freedom from fear.

The third and fourth level of human needs are psychological needs, love needs and esteem needs. Individuals yearn for the sense of love and belongingness, from friends, family, a romantic relationship, the need of giving and being given love (Jones 2017). Depending on the situation, love needs can sometimes overcome both physiological and safety needs (Lee 2015). Esteem needs can be broken down into two parts. The first part concerns with the desire for freedom, achievement, competence for one own self from themselves. The second part is the need for recognition, appreciation and respect from other people and society.

Self-actualization needs lie at the top most of the triangle. Self-actualization needs are defined as the needs to reach one's full potential, self-fulfillment. The course to fulfilling this last tier of needs differs from person to person, as not one's goal is the exact same of the others'. As satisfied people are exceptions in the society, not much is known about self-actualization and this remains a challenging question for research. (Maslow 1943, 10-11.)

Maslow appertained the Hierarchy of Needs to general motivation in a social and psychological sense but businesses have applied the theory to conceptualize fundamental ideas in marketing and customer experience. With some adaptation, the hierarchy presents a logical framework for perceiving the components of creating positive customer experience and guiding business in executing effective marketing strategy. (Dodd 2018.)

To effectively apply Maslow's Hierarchy of Needs in marketing, the first step is to answer a few questions. Who are the target customers? What do they need? What motivates them to make the purchases? Are customers lacking a way to satisfy a need that the products can provide? If these questions can be answered in great details and accuracy, pasting on Maslow's Hierarchy of Needs to the marketing strategy is a straight forward process of communicating the right products with customers. (Belkind 2017.)

A fast food brand advertising how filling and affordable their combo lunch meal, a housing company promoting fully-furnished apartment with financing option; these example

advertisements appeal to the physiological need for survival. Insurance commercials that narrate stories of a person after a traffic accident or suddenly falling ill are drawing on safety needs of customers. Striking subtly at the customers' fear, be it economic fear (car insurance, house insurance) or life fear (health insurance), is a familiar communication message when companies choose to target safety needs. Companies and brands satisfy love needs via social media nowadays. Brands create communities that customers and users can engage in, personalize offers to individual customers to create a sense of being known and understood. Customers are the strongest advocators for a brand if they feel like they truly belong to the community, if the brand satisfy their love and belonging needs. Esteem needs are oftentimes marketed with the underlying message of attaining high social statuses, as luxury cars and watches signifying a person's social status of wealth, education-based businesses conveying the messages of high self-esteem with complete mastery in a skill or subject. The last need that a marketing campaign can deliver to the customers is the hardest one, self-actualization need. A product or service being marketed does not create the meaning for the life of a person. Marketers can, however, target this need by reimagining the identity of the brand as one that help costumers on their journey to reach self-actualization. (Lee 2015.)

While Maslow's Hierarchy of Needs has remained as the popular motivation theory applied in understanding consumer behavior, the surge of mobile usage and evolution into a digital world has drastically changed how humans behave, and in return, how Maslow's theory is utilized. Social medias connect individuals, regardless of geography and distance. Customers now have more product choices than ever and the ability to get what they want when they want it, where they want it. This is the time of Empowered Consumer (Rosenbaum 2015.) For Maslow's theory to meet the digital world, new concepts for safety, love and belongingness needs and self-actualization needs are necessary when the Internet presents new methods for satisfying those needs (Barmettler & Juneau 2008, 563).

2.1.4 Understanding Motivation in Consumer Behavior

During the 1940s and 1950s, research of motivation was focused solely on consumer behaviors, answering questions of why he or she did what he or she did (Fullerton 2013, 212). The idea of business, simply put, revolves around the concept of selling to customers at a profit. Every transaction of goods at a monetary value is not always successful due to factors that concern both business and customers. As no businesses can target every consumer, having a target market is vital to the survival of a business (Porta 2018). By identifying a potential customer base, understanding their needs and

what motivates them to buy, business has a higher chance of success and creating long-term relationship with customers.

It is beneficial to understand the psychology behind customers' purchase decision, what drives them to make the final payment. Three motivators arise:

- Current dissatisfaction

- Future promise

- Cost and fear.

Almost, if not all, buying decisions start with consumer's dissatisfaction for the current products/services. The greater the dissatisfaction, the more urgent customers make the purchase. Once the dissatisfaction is pinpointed, customers will start looking for a suitable substitute. If business play the right cards and deliver goods that are just right and fit the qualification, customers will be easier to persuade. While dissatisfaction and promise stay on the same spectrum of positive motivators, cost and fear sit on the other end of the spectrum as a negative motivator. Consumers focus on price, fear bad buying decision, are wary of economy situation and everything else that is holding them back from buying. However, no matter how unique an individual is, when making a purchase decision, every consumer follows a formula:

Current Dissatisfaction x Future Promise > Cost + Fear

Cost and fear inhibits consumers' motivation from buying. (Shore 2014.) Even though cost and fear are one of the motivations for buying, it is not a motivation to be exploited if businesses essay to create long-term, meaningful, rewarding relationship with consumers.

2.2   Consumer Decision Journey

The consumer decision journey is the journey the consumers undertake before making a purchase (Johnston 2016). On the buying spectrum, two buying decisions lie at either end of the spectrum. At one end is the low risk purchase decision, or impulse buying. And at the other end is high risk purchase decision, or considered purchase. Generally, when buying something of value that is important, risky or expensive, consumers don't do it on impulse. In order to arrive at the decision of making the purchase, consumers go through a series of stages weighing options and considering choices. In every step of the journey, there exists a risk of consumers losing interest in the goods or services. It is crucial for marketers to understand the steps that consumers take before arriving at the end purchase and to reduce the risk of consumers dropping the process. (Thomas 2014.)

Marketing has changed drastically in recent years with the explosion of digital landscape. As consumers have become digital, so do branding and how companies interact with consumers in a more effective method. The digital ecosystem gives rise to a new model of consumer decision journey. (Staplehurst 2018.) This section talks about both the old and new decision journey models, the classic marketing funnel and the circular, contained consumer decision journey.

2.2.1 The Traditional Marketing Funnel

For as long as the concept of business and selling for a profit existed, people have been thinking of ways to draw in customers and how to reach them. The marketing funnel is one fundamental model simplifying the journey customers make before making the purchase. Even though the model was proposed in the 1800s, until today, it still holds an important place in customer journey mapping. (Sauro 2018.) The marketing funnel is also known as the sales funnel and it describes the sale process from the company's point of view. Figure 4 provides visual for the marketing funnel.

Figure 4 The Marketing Funnel (White 2018)

The idea behind the funnel is that, like a funnel, marketers throw a large net over a wide area to catch as many leads as possible, then cultivate these leads into prospective customers and narrow down the numbers through subsequent stage of the funnel. In an ideal world, the marketing funnel should be a marketing cylinder as marketers want to translate all leads into customers. However, since that is not possible in this world, the best marketers can do is turning as many leads as possible into potential customers by

understanding the needs and wants of customers and conveying the right motivation for customers to purchase the advertised products and services. (White 2018.)

There are three main stages of a marketing funnel model. They are lead generation (awareness), lead nurture (consideration) and sales (purchase) Within each stage, there is one to two levels. As seen from the illustration above, awareness lays at the top most of the funnel and is the widest. Customers' awareness can be raised through marketing campaigns and consumer research. In the digital world and online-driven world, it is important for business to have a presence online, forging familiarity with the brand name; for when consumers purchase the products, they know the company has a standing in the focus field. Exposure strategy for digital presence contains of four methods:

- paid advertisements

- social media presence

- search engine optimization (SEO)

- content marketing. (DirectIQ, 2018.)

Paid advertising provides a great deal of benefits for companies by directing traffic to the company's site and driving business. However, paid advertising can put a dent in the company's finance if the advertisements are not narrow enough and unusable leads. The first thing to note about investing in paid advertisements is the use of keywords. In many cases, companies use keywords that are most searched for in the hopes of raising more leads. However, high-traffic keywords also bring with them high amount of competition, therefore, reducing the effectiveness of paid ads and return on investment. The keywords that companies should go for are keywords that customers themselves use to look for the company. It is vital to note that usable leads can be gained more effectively by targeting a lot of lower-traffic terms. When potential leads click the link, it is important that the link leads to a unique page that hooks the prospect customers in. This is called a landing page and it is not the website homepage. Companies can modify the landing page to suit the new visitors, creating a continuity from the message of the advertisements. A customized landing page helps pushing visitors towards a specific action, such as signing up to get free Photoshop brush sets. The type and where the ads are displayed on is also important in gaining leads. There are text ads, display ads or banner ads, and native ads, each with their own drawbacks and advantages. Text ads are the typical ads seen on Google search result page. Text ads are specifically tailored to target customers who are actively looking for a product or service. The effectiveness of these ads depends on good use of keywords. Display ads are noticeable on a site, they come in a variety of designs and

sizes, making putting ads up less time-consuming. These ads do not target specific customers, rather they are focused on customers who are not deliberately searching for something new. (Moon 2018.) Native ads are the new format of advertising, most prominently seen on social medias. Native ads are paid ads that match the form and look of the media they appear in; they are non-disruptive and display contents for leads without sticking out annoyingly. Statistics show that native ads are working, with consumer's purchase intent increasing by 18% when leads consume native ads. (Outbrain 2018.)

Social media is a powerful tool. By harnessing the power of being actively present in social media, business can raise awareness of their products and services. There are over 3 billion people using social networks worldwide, and through these platforms that potential customers interact with brands and companies. A research shows that 60% of users discover new products on social medias. Social medias widen brands' reach for valuable leads with their ability for sharing, a digital word-of-mouth effect. Each like, reaction, share and comment brings the brand onto the feed of potential customers' connection, and making them inclined to check out the brands. A friend's social share functions as a trustworthy pre-screening, drawing in more leads for the brands, even though the leads are not in the scope of the target audience. (Newberry 2018a.)

Search engine optimization corresponds to organic searches. Digital traffic is generated majorly through search engines, Google, Yahoo. For most Internet users, when they look for information, search engines are the tools they use the most; traffic from social media fail in comparison when pitted against the amount of traffic generated from search engines. Search engines drive targeted audience straight to the company. However, search engines are not all powerful. There is a limit to how search engine can return good relevant result to uses. Search engines optimization exists to help search engines find the searched for content faster and place the result in the first page where users' attention is most focused on. Making the websites easy to understand for both users and search engine bots is an important facet of SEO. Technical aspect aside, content plays a vital role in deciding whether the webpage is relevant to the search engines to appear among the top results. Search engines relies on the level of relevance and importance, that is the level of interactions users have with the webpage. Therefore, having content is not enough, companies need to get the contents shared and discussed. (Fishkin 2018.)

Content marketing refers to a marketing technique that delivers valuable and relevant content to consumers to define a group of consumers that will take profitable action. The main difference between marketing and content marketing lies in the value. If consumers seek out an ad to consumer it, then it is a part of a content marketing campaign. There are

a lot of style content marketing can appear under such as infographics, podcasts, videos, blogs, et cetera. The key to successful content marketing is value. By asking existing customers what content they wish to see, which can be helpful to them, companies can know how to deliver good content. (Steimle 2014.)

When the leads are generated, they move towards consideration stage. Consideration stage consists of interest level and consideration level. It is in interest level that leads learn more about the companies, products, services, deals and any other helpful information that can sway leads into potential buyers. The interest can be grown through email marketing, more specialized contents that pays attention to the company's positioning, value and the business it operates in, newsletters and so on. It is on this level that companies can start building relationship with the leads. (White 2018.)

Consideration level is a phase where customers are hooked on the product and put them on their list of considerations. Consumers are not going to make the purchase, not just yet. This is the stage where consumers evaluate all available options to them. Companies keep on delivering information to customers to guide them to make the decision that brings profit and value for the brand. The types of contents that companies can offer can be product comparison, live interactions, expert recommendations. In this stage, customers most likely look for information regarding products specs, pros and cons, therefore knowing what buyers are likely to investigate, companies can tailor the contents to better match consumers. (Cohen 2018.) In today digital landscape, rich information freely given during consideration level has become a scarcity due to the oversaturation of ads consumers digest daily. Consumers have little time to read long text, they have less patient when encountering long winded ads taking up their space. So, consumers in the digital world turn to other people to get the information they want about the products. Companies no longer have absolute control over the consideration stage like before. If companies wish to compete in the world where their involvement in consideration stage is no longer valued, they must learn to adapt, by tapping into the voice that consumers trust for advice on what to buy. There are a few ways that companies can do that. First, companies can create a feedback loop. Previous consumers who are pleased with the products and love the brands will let other people know of their satisfaction, therefore companies should prioritize product reviews section. By listening to exchange about the brands online and conveying the message in a marketing-able way, companies can connect with consumers like a fellow consumer. Secondly, companies should make a lot of space for these voices. Influencers are important but influencers should be a part of the collective of positive voices, not a delegation for the companies. These voices, feedback and reviews should be displayed prominently; on social media post, on landing page, in

emails. Lastly, companies can build connection with dedicated advocators. Advocators here refer not the people hired and paid for by the companies to parrot a pre-written script about the goodness of the products but the advocators that are knowledgeable, who are experts in their field and whose voices are listened to. The relationship between brands and advocates is beneficial. Building a good relationship with them by giving them behind the scene information about the products, offering promotion so they experience the products first hand and asking them to share the experience and testimonials online is incredibly beneficial in reaching consumers in the consideration stage of the funnel. (Knight 2018.)

Conversion stage, also known as sales stage, consists of the final evaluation and the action of purchase. The final evaluation here is different from the evaluation in the consideration stage. At this stage, consumers have already considered all the options available to them. They are aware of the pricing and standing at the threshold of making the final decision to make the purchase. Even at this level, the consumers could still withdraw from the process and drop out of the potential customers range, moving back into leads. This is the moment brands need to provide a sense of security for the consumers, while at the same time, gently call up their memory of why they want the products in the first place. The information and message companies choose to convey should relate back to the need that was communicated back in awareness stage and why the company is the best choice for consumers to fulfill this need. This is, without a doubt, the most important level, where profit is made or loss. Finally, consumers arrive at the final stage, the purchasing itself. Marketing at this stage is straight to the point of keeping the process as simple as possible for buyers. The brand's online process needs to be trimmed down to reach the level of easy simplicity and not overly complex that consumers cannot navigate and are dissuaded from making the monetary transaction. There are factors that companies should pay attention to make process simple and increase the highest number of buying customers. Whether there are redundant steps in purchasing process, if the server's load time is fast enough and can handle huge spike in usage and whether mobile interface is as simple to use as desktop interface. (Jones 2014.)

2.2.2 Marketing Funnel versus Customer Journey Maps

These are the two buzzwords that permeate the marketing world when it comes to understanding how consumers arrive at the final decision of making the purchase with a unified model. They are marketing funnel and customer journey maps. They are similar in idea, but there are inherent differences between the two that the two terms are not interchangeable as many might believe.

As explained in the previous section, marketing funnel is a model that views customers from the viewpoint of companies and marketers. Marketing funnel is useful in that it assists companies and marketers in breaking up customers base and categorizing them into focus group, all basing on customers' current relationship with the companies:

- Customers that just discover the business

- Customers that are interested in the products but not convinced to purchase yet

- Customers that make the purchase.

Having knowledge on where customers stand regarding the products and services offered help companies formulate appropriate tactics to keep the customers interest, clear their doubts and nudge them towards making the final purchase.

Marketing funnel boxes customers basing on their position with the brands, and not *how* the customers get to that stage. For example, in awareness stage, some customers might encounter Google ads of the brands, while some learn about the companies through influencers video logs. These encounters are touchpoints, and not all customers get to the same stage via the same route. Consumer journey maps exist to record these touchpoints.

Consumer journey maps detail the path customers travel on, from when they first encounter the brand until the moment they make the purchase. Unlike marketing funnel, which proceeds in a linear path, consumer journey maps are circular. Consumer journey map follows the trail of touchpoints potential consumers encounter before purchasing the products. Touchpoints are every single interaction customers have with the brands. Visiting webpage, opening a link in advertisements, opening a newsletter email and so on, are all examples of touchpoints. Consumers can also return to visit previous touchpoints for evaluation purpose, which makes a loop on the consumer journey map. On average, a lead may encounter eight touchpoints before making the final decision on purchasing.

Tracking the consumer journey is no easy task. There is no sure way to simulate the exact touchpoints consumers encounter before they make the purchase. However, with a large enough data base, a loose consumer journey map can be established. Consumer journey map shows marketers and companies information that a marketing funnel alone cannot. It reveals which marketing campaigns work and which don't, therefore helping brands better control their resources and connect with consumers.

Consumer journey map and marketing funnel are complimentary tools for marketers. Data collected on touchpoints potential consumers encounter can be used to support a more

complete marketing funnel. The utilization of both tools results in a more user-friendly purchasing journey for consumers and more effective targeting marketing materials to leads. (Disilvestro 2018.)

2.2.3 The New Consumer Decision Journey

The marketing funnel has existed since 1898 and become a cornerstone of fundamental marketing strategy. It was invented by American advertising advocator E. St. Elmo Lewis and over a century in existence, it had undergone evolution to better suit the world of consumers. (Ritson 2017.) However, drastic changes need to be made to the existing marketing funnel, which does not account for the digital shift in the modern consumption world. The world of consumers today calls for a new model to fit with the fast-moving pace and short attention span of consumers. In 2009, a research from McKinsey resulted in the proposal of a new decision journey map that is circular.
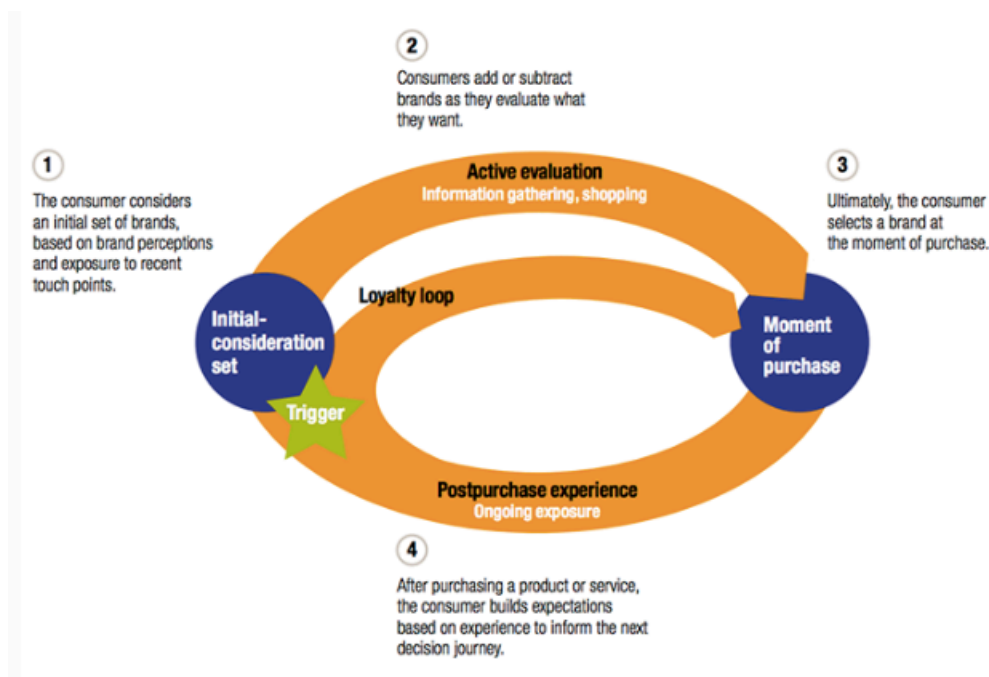

Figure 5 The decision-making process is now a circular journey (Court et al. 2019)

According to this new journey map seen from figure 5, there are four principal points where interaction between marketers and customers can make or break communication between brands and potential consumers:

- initial consideration

- active evaluation

- closer

- post-purchase.

Customers begin the loop at initial consideration set. They assess brands that can potentially fill their needs. They can cite the names of those brands. Then they move to evaluating the options, weighing the pros and cons of each with the aim to reduce to the minimum number of brands. However, here lies the core difference of the loop model and the funnel model. In the funnel model, the number of brands narrow in consideration stage, whereas in the loop model, the number of brands increase as consumers pick a category and broaden their search for more option to consider outside the brands they know. Once consumers make the final decision on the brand, they carry out the purchase. The consumers are now the company's consumers. Post purchase experience happens when the customers have been using the product or service for some time. They have experienced first-hand the functions and features of the products and emotional response to the usage. Consumers then use this information to prepare for the coming decision purchase. (Lerchelle 2014.)

For brands, to win customers over in the initial consideration, they need to have strong brand awareness. Studies have shown that brands with more initial awareness are three times more likely to be purchased. However, with the change of time and customers' preference in the world where information is widely available to them, new brands can enter the battle even after initial consideration stage. Consumers' number of brands varies from different industry, but generally, there is always an increase in the number of brands considered after initial consideration set. This change allows marketers to put in more touchpoints and even drive out competitors. Brand awareness is no longer a winning factor, rather, it is only a small advantage in a long run battle to win over consumers. Consumers in modern digital world have more power and control than ever. Unlike the past, where marketers and companies guided and coerced consumers onto the planned path by feeding right information at the corresponding stage with the goal of pushing customers to making the purchase. In today's world, customers have the power on the process and they actively pull information to them to help with the final decision. Research conducted by McKinsey shows that two-thirds of touch points during active-evaluation process are customer-focused marketing strategies as customers read reviews on Internet, watch influencers' video, ask friends and family. The post purchase experience can influence future purchase of consumers, hence the loop model of consumer decision journey. After purchase, there are two types of consumer loyalty that marketers need to be aware of. There are active loyalists and passive loyalists. Active loyalists are consumers that are vocal about the brand and recommend it to other people. Passive loyalists are consumers who stick to one brand due to reasons such as laziness to look for

new brands. Passive loyalists are uncommitted to brands, they can be swayed to competitors that give them good reasons to buy from. (Court et al. 2009.)

Six years later, in 2015, with the world getting even more digital and advanced and new characteristics for consumers, another study on decision journey was conducted. The new findings (figure 6) show that the journey is streamlined into loyalty loop, bypassing consider and evaluate phase.
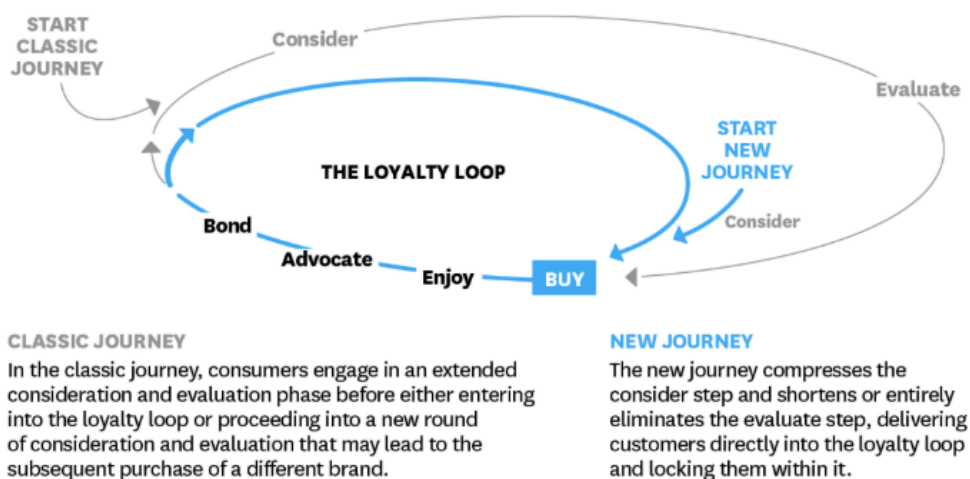

CLASSIC JOURNEY
In the classic journey, consumers engage in an extended consideration and evaluation phase before either entering into the loyalty loop or proceeding into a new round of consideration and evaluation that may lead to the subsequent purchase of a different brand.

NEW JOURNEY
The new journey compresses the consider step and shortens or entirely eliminates the evaluate step, delivering customers directly into the loyalty loop and locking them within it.

Figure 6 Streamlining the Decision Journey (Edelman & Singer 2015)

In the study researched by McKinsey in 2009, it was concluded that marketers have to chase after consumers, react rather than act, to lead consumers into making the purchase. However, the study done in 2015 proved that that is not the case, that marketers are put into passivity. As a matter of fact, marketers can mold the path, acting as leaders to drive customers to making purchase. Across industries, marketers are increasingly remodeling journeys to captivate customers and keep them, constructing an individualized experience that instantly engaged and enticed consumers, keeping them with the brand. Customers stay voluntarily because they benefit from the journey; the values marketers provided are useful to them.

To build an effective streamlined journey, companies must master four abilities:

- automatic operation
- Active personalization
- circumstantial communication
- journey renovation.

Automatic operation is the process of digitalizing processes that were once accomplished manually. Take an example of money transferring, if customers want to deposit an amount of money into the account of, in the old days, they had to go to the bank themselves and asked bank tellers to help them with the transferring. However, in the booming of mobile devices and digitalization, customers can accomplish the task with an application of the bank and a few minutes as opposed to the long minutes of waiting and lengthy procedure. By helping customers have an easy journey, marketers can make the journey stickier. Active personalization makes it like the brands know the customers, tailoring customers' decision experience. Personalization can be achieved via analyzing consumers' past purchase to make personal suggestion for the customers' future purchase. The prime example for active personalization is Amazon and their recommended for you page. Coca Cola's Share a Coke campaign that printed popular first names onto their cans and bottles in 2014 is another good example of brands connecting with consumers on a personal level. Circumstantial communication is using the knowledge of where the customers are in the journey to push them towards purchase. Such as an airline application putting passengers boarding pass on lock screen once the boarding time is near. Journey renovation is acquired through trials and errors and constant analysis of existing customer journey, motivation, current technologies to identify new touchpoints to bring value for both companies and consumers. A simple banking application can also be renovated to be a tool for personal finance management. Integrated system and seamless experience with collaboration with other platforms help companies expand the journey, making the journey stickier. Each of these, once mastered, will make great tools for marketers to make a journey more likely to capture customers. Even though most of these capabilities rely on elaborate information technology, creative design and fresh approach is needed alike. (Edelman & Singer 2015.)

In 2017, in ad:tech conference in New York, associates of McKinsey presented findings after ten years on the consumer decision journey. Over ten years, consumer behavior has changed drastically. Loyalty is now harder to achieve than ever. Even with the booming of loyalty program, rarely do consumers sign up. This fact due to the availability of choices, customers almost feel compelled to shop around. Social medias and easy access to information, it is simpler than ever for customers to compare brands. Customers are more likely to trust the words of strangers online rather than what the companies tell them in advertisements. All hope is not lost, however. 58% percent of consumers studied change brands right after one purchase loop. This is a problem but also for opportunity for new brands to be considered for the new journey. In summary, brands should prioritize getting into the choices of customers' consideration at the early stage then nurture the journey

with consumers until the end, consumers are enraptured with what is constantly on their mind and on top of things. (Elzinga & Finneman 2015.)

3   BUYERS AGE GROUP

3.1   What is Generation

The landscape of digital shoping is growing strong. People are shopping online more and more. But not all age groups are buying online at the same frequency. Different generations buy differently and surf the internet differently to each other. For busineses who are constantly looking to have an edge over their competitors, knowing which generations to target and how to te target them can provide the much needed advantage. (Leonard 2018.)

In the coming era, millneials are taking over. By 2020 in the US, millenials' spending is expected to cap $1.4 trillion per annum (=€1.23 trillion) (Mroz 2018). Businesses are trying to catch up with the A study of Internet users in EU countries about their habit of purchasing online below shows the difference between age group. The high percentage of young generation is easily discerned.
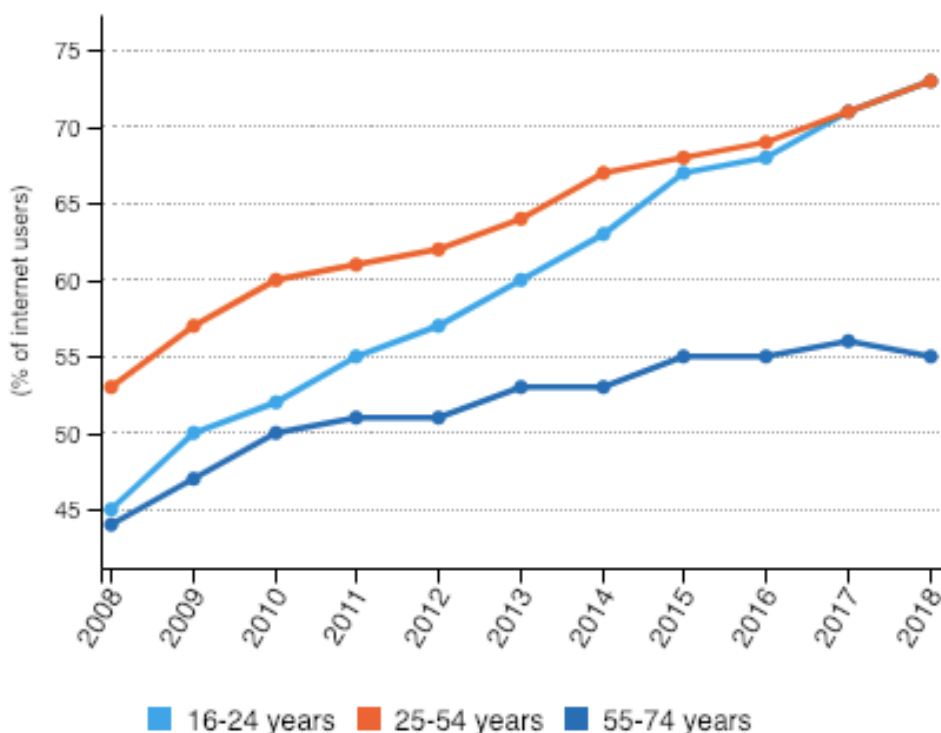
Figure 7 Internet users who purchased goods or services for personal use in the previous twelve months by age group, 2008-1018 (Eurostat 2018)

Even though this survey is conducted only for Europeans respondents, the results can reflect a worldwide trend in e-commerce and the growth in young internet users who make purchases. As can be seen from figure 7, the percentage of internet users from age of 16-

24 and 25-45 that purchase online are the highest (roughly 73% each). E-commerce is growing exponentially among young Internet users. 25% of total Internet users make online purchases for food and groceries. The largest share of purchase of food or groceries belong to internet users from the age group of 25-64 at 28% of total respondents. (Eurostat 2018.)

In this section, the author goes through the concept of generation defining with specificity on Millennials and Generation Z and the effect of social media on these age groups' consumption of goods and services.

There is no set definition on generations. Tolbize (2008) coined generations as a group that shares the same year of birth, location, and significant life events at vital development stage. Members of one generation that live the same experiences have their thoughts, behaviour, world-view and values influenced by the events. Individual, of course, bring in their own personality and backgrounds from their race, ethnicity, gender, religion, family setting and so on. But the broad generalization of a generation is possible for those born in the same time frame.

There is no exact science that defines when a generation begins and another ends. Some authority say Baby Boomers generation spans from 1946 to 1964 with the aftermath of World War II shaping their outlook and regard on life. However, some authority ends the generation at 1960, labelling those born in the latter half of Baby Boomers generation as "Generation Jones" ("Jones" refers to the outcrop of the slang "jonesing", which means craving) with their own set of characteristics and worldview.

Sources vary on the beginning and end dates of generations, mostly for recent generations. Sometimes the years overlap, bringing confusion for those born in those overlapping years. However, nowadays, a consensus for age groups is reached for generations years that have long passed and overlapping is unanimously avoided. (Abrams & von Frank 2014, 6.)

*No chronological endpoint has been set for this group. For this analysis, Generation Z is defined as those ages 7 to 22 in 2019.
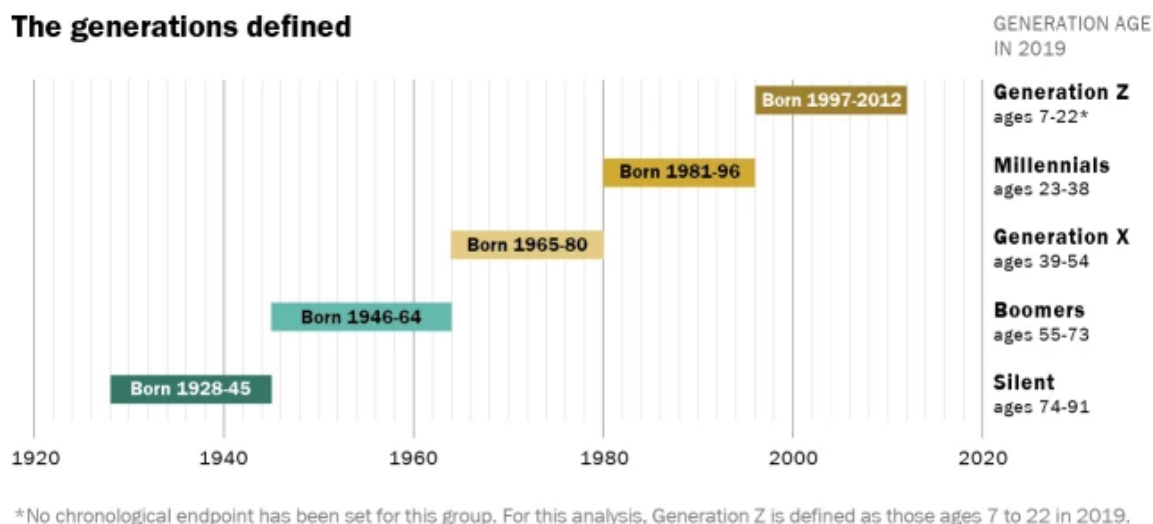
Figure 8 The Generations Defined (Dimock 2018)

For cohesion and uniformity, the author uses the generation segmentation of Pew Research Social, a non-partisan organization in the US that conducts polling, demographic research and other statistical social research. The generations are defined in figure 8.

Understanding the characteristics of generation is important for business. As the scope of this thesis focus on Millennials and Generation Z, only their consuming behavior is detailed and analyzed.

3.1.1 Millennials as Consumers

Millennials are the generation born in 1981 to 1996. Millennials are the next generation of consumers that hold high economic value. There are a few characteristics to Millennials. Millennials are often said to be lazy, selfish, spoiled by other generations and the media. But Millennials themselves see their generation as cool, tech-savvy, youthful and lazy. The laziness is partly since Millennials grew up in the world never not knowing the Internet or having it a part of their life. Millennials are called Digital Natives. They are familiar with having a solution to saving them time and troubles with technology. (Page 2018.)

Over the world, there are over 2 billion Millennials. The shift to Millennials is not only a generational shift but it also carried more than just age change. This is a generational shift of nationality and ethnicity. Millennials' spending is projected to amount at $1.4 trillion (=€1.2 trillion) in the US by 2020, accounting for 30% of retail sale. Millennials are and will have a major impact on the economy. Millennials are trendsetters, the effectiveness of a marketing strategy on them will reflect on the rest of other generations. (Gapper 2018.)

There are a few characteristics that brands and businesses need to be aware of, with Millennials as consumers. First, Millennials favor the idea of collaboration, not just between brands, but also collaboration between customers and brands. Millennials love having their opinions listened to. They want to have a part in creating the products with the brands. Companies that can offer this win over Millennials. Second, Millennials are sociable, both online and offline. Offline, Millennials are more likely to travel, shop, dine in groups with peers. Online, they share snippets of their lives on social medias, their opinions on products and services they have experienced. These behaviors reflect a need for connection. This is a big implication for businesses and brands. Millennials don't just acquire food, products, services or media silently. They make waves and inform others of their actions. They tweet, review, post Instagram story, snapchat, talk to their friends about the experience. All these are voluntary actions done on behalf of the brands. Millennials also have good relationship with their parents. They get into less fights, spend more time eating with families, and influence their parents' purchase decision. Millennials' opinions are highly valued by their parents. Millennials can carry brand's marketing message to both their friends and parents. Third, Millennials are digital-savvy. Big companies like Amazon, Google and other tech companies have streamlined digital pathway and experience into a simple and integrative experience. Millennials expect these standard to be met by every other brand and have no patience to find their way around a clunky, information-loaded website. Fourth, Millennials value experience and seek adventure and newness. They see business-related travels as opportunities and not burdens. When shopping, they prefer an experiential lifestyle experience. Think IKEA and their showrooms, this is an experience designed to make shopping not just paying and bringing the goods home. When eating out, they look out for something memorable in the restaurants, be it decorations, the exotic foods, the arrangement of food on a plate, integrated dining experience. Think Instagram-able food, augmented reality entertainment in restaurants. Fifth, Millennials are driven by values, meaning they integrate their beliefs when choosing products. Millennials who are active environmentalist might pick organic, locally sources products over normal brands; Millennials who are driven by humanitarian causes will pick fair trade and ethical clothing brands. Over 50% of US Millennials pick companies that support the causes they care about. Millennials lack money but they are willing to pay for products from brands that align with their causes and beliefs. (Solomon 2018.)

Though Millennials are a unique generation, they do share some similarities with predecessor generations, the Baby Boomers and Generation X. Just like Baby Boomers and Generation X, Millennials pick options with the cheapest returns. They carry out

showrooming, checking out products at a shop nearby before making the purchase online. If the products are not available online, they will go to a brick-and-mortar store and get them. Though Millennials are avid online shoppers, it does not spell the end for brick-and-mortar. Millennials, too, like to touch and feel the products before making the decision. 68% of Millennials demand a seamless transition from channel to channel, meaning from webpage to mobile app to physical store is a smooth pathway. It is extremely hard to gain Millennials' loyalty, as businesses have expressed their concern. On the contrary, Millennials make especially loyal customers, if they feel like they are treated right by the companies. Millennials want to be treated as valued customers, they want to feel welcome when they shop. Social medias to Millennials have different use to them rather than what marketers think. Millennials use social media to follow a brand not because they like the brand on an emotional level. It only means that they want to get access to the deals and promotions brands and businesses have to offer. To reach Millennials, brands need to deliver contents that can be talked about by Millennials in their daily communication; the contents can be special promotions, new exciting products. The goal is to create a positive buzz, to be talked about. But companies need to be careful not to create and negative buzz or it can lead to dropping in sales and trust in brands. (Donnelly 2018.)

3.1.2 Generation Z as Consumers

Millennials are in power now, but following right after is Generation Z. By 2020, 40% of consumers are Gen-Z. The one thing that cut the line between Millennials and Generation Z is that Gen Z never know a world *before* digital access. Gen Z are the first generation to be born into a fully digital world. This sets Gen Z' expectation for brands to be as digital-savvy as they are, demanding even more seamless shopping experience with up-to-date technologies. Gen Z' income is expected to be lower than other generations, but at this moment, they are both the prime spending concern of their family and influencer of their family members' purchase decision. Gen Z are pragmatic and financially conscious. They were born in the 2008 economy recession and chaotic financial market. They want products that empower them, offer them value and aid them in expressing their individuality. They prefer innovation and entrepreneurship. (Hodgson 2018.)

Gen Z's world exist solely on mobile. They spend considerably less time on laptop than Millennials. 95% of teenagers own a smartphone. Marketers need to have a suitable mobile focused strategy to reach Gen Z. Gen Z value their privacy but it's complicated. Gen Z prefer social medias like Snapchat or Instagram over Facebook, where their posts disappear within seconds, providing them a sense of anonymity and control over their privacy and communications. Marketers need to find the right balance between

personalization and privacy when interacting with Gen Z. Gen Z turn to influencers when making purchase decision. An influencer is a person who can affect others' purchase decision owing to his/her knowledge, authority, trustworthiness, relationship with his/her audiences. The platform that Gen Z turn for influencers most frequently is YouTube. 85% of Gen Z watch one video a week and 19% say influencers can persuade them to purchase a product or service. Brands should cash in on this characteristic of Gen Z. Just like Millennials demanding brands have a website, Gen Z look for brands' presence on YouTube. Presence alone is not enough. Good contents are what keep Gen Z stay with the brands' channel. Gen Z love brands with a personality and fun brand voice, like shoes ads showing people going about on their daily life wearing the shoes. Brands must transform their ads into a form of entertainment itself to attract Gen Z' attention and make an impact. Ads for Gen Z are no longer a showcase of product, it must be something entertaining. (Watson 2018.) Gen Z understands marketing. They know that brands are selling to them. They are not cynical about the promises that brands make on their marketing campaign but they have their rules that brands should know to not cross. Gen Z care about authenticity and honesty in brand' voice, like Wendy's sassy Twitter presence that receive tremendous praise from Gen Z. (Woo 2018.)

While Gen Z can be reached predominantly via social medias, forming connection with them takes a lot more work. When connecting with Gen Z, it's all about the match. Marketing messages must be tailored to specific social medias while maintaining the same message across platforms. Each social media is used for different purposes by Gen Z, Instagram for showing the selves Gen Z are striving to be, Snapchat for sharing life in-the-moment, Twitter for news, and Facebook to get information so marketers need to clearly understand each platform before doing marketing. Some approach brands might take to attract Gen Z in social media marketing include including Gen Z in marketing message to draw their attention, involving real people not actors in the marketing campaign, and taking a stand for social responsibility. For including Gen Z in the marketing message, clothing brand Hollister uses Snapchat's geofilter and provides Snapchat users with a filter that they can use. Geofilter are just like normal Snapchat filter, a design that can be added onto the photos and short videos; but geofilter is only available when users are in a certain location. For involving real people into marketing campaign, Dove's Real Beauty advertisements come to mind. Dove brilliantly celebrated women's beauty by inviting real people for their marketing video. For taking on a social responsibility, companies are rapidly addressing environmental, gender, racial issues when marketing to Gen Z. As Gen Z gradually replace Millennials, marketers need to

adapt and learn to communicate with them. Messages need to be personalized, fun and socially relevant to engage Gen Z. (Perlstein 2017.)

3.2   Vietnamese Millennials and Gen Z Consumers

In accordance with the generation specification stated in the beginning of this writing, Millennials are those who were born in 1981-1996 (23-37 of age as of 2019) and Generation Z begins from those who were born in 1997 (22 of age as of 2019). Due to the scope of this thesis, the author explores solely Vietnamese Millennials and Gen Z' consumption behavior. With the population of over 96 million and the median age of Vietnamese is 30.5-year-old, Vietnam population is relatively young (figure 9).
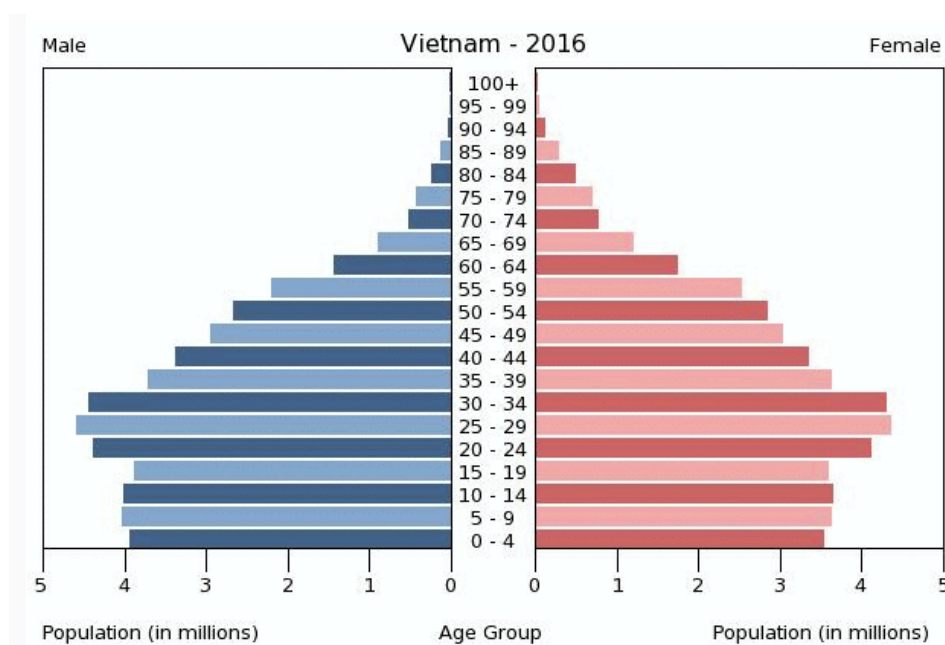
Figure 9 Vietnam Population Pyramid (CIA Intelligence Agency 2016)

Generation Z accounts for 14.28% of population belongs; by 2020, Gen Z account for 25% of Vietnam's workforce, which translates to roughly 15 million consumers (Demographic 2018). 35% of Vietnamese population belongs to Millennials, which translates to 33 million Millennials in Vietnam. And social medias are a part of Millennials and Gen Z's life. Overall, Vietnam has 58 million Facebook users and 6.7 million Twitter users (Vu 2018).

Millennials are a well-educated and dynamic generation. They grew up not experiencing the Vietnam War and during the time Vietnam opened doors for trades and experienced the growth of the economy. Millennials are the generation of digitalization; therefore they have polar thinking, expectations and lifestyle when compared to previous generations. When Millennials shop, they utilize online platforms in every stage of the decision journey

from searching online, making payment to signing up for membership card. Millennials' life in general are better than older generations.
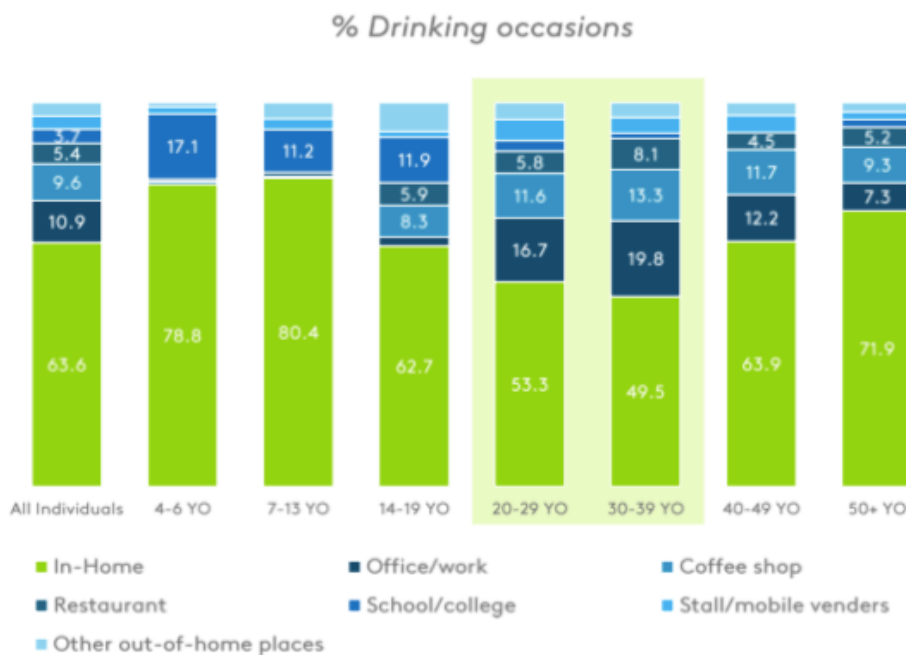

Figure 10 Drinking Usage Panel in Vietnam Urban 4 Cities: Ha Noi, Ho Chi Minh, Can Tho and Da Nang (Nguyen & Tran 2018)

The chart of figure 10 counts Millennials until birth year 1999 due to unspecific generation limit but the statistics are still applicable. Millennials go out for drinking and eating more, they spend more on self-indulgence needs rather than just necessity needs, splurging more than saving. The trends are observable, in the growth of sales for food and beverage industry and entry of local and international competitors and health and life-style services such as spas, gyms, etc. More than 50% of Millennials partake in drinking occasions at out-of-home places (coffee shops, offices, restaurants, etc.). This adds in more touch-points for marketers to connect with consumers, who are now enjoying more outdoor activities. (Nguyen & Tran 2018.)

Vietnamese Millennials are also attracted to creative, 'cute', and inspiring things. Packaging, for example, is a good example for creative and inspiring designing. Packaging that provides convenience but is also environmentally friendly and looks eye-catching is sure to get the brands a picture on Millennials' social media. Every four out of five Millennials are inclined to pay higher price to obtain foods with clear origins and additional nutrients. Food safety is a top concern in Vietnam, therefore, brands need to be transparent about the ingredients in the products and good labeling to capture the attention and obtain health-conscious Vietnamese Millennials as valuable consumers. 65% of Millennials in Vietnam are open to new products that make their lives easier, but

this decision relies majorly on trends, viral/guerrilla marketing and friends/families' opinions. The brand that can succeed in connecting with the Millennials of Vietnam is the brand that brings value to them. Long past the age where Vietnamese looks for the cheapest option available to them; now, with improved life quality, Vietnamese Millennials are willing to pay premium to get the best out of a product or service that yields that most benefits. They conduct research before purchasing, reading reviews, looking to test the products themselves before making the value purchase. Brands are designing smaller packages, providing samples with purchases to support and accommodate Millennials' need for hands-on trials. (Nguyen & Tran 2018.)

One-seventh of Vietnam population is Generation Z, translating to 14.4 million people, and they are beginning to enter the workforce. Generation Z are the first generation to live in the world where the barrier between physical and digital world is blurry. On average, they use 2.77 social medias every week and half of them preferring communications via text message, using emojis to express their thoughts. Brands must learn to speak this language to connect with the future Gen Z consumers. Gen Z depend on social media for validation that come with every like and interaction. Mobile phones and Generation Z are inseparable, 50% of youth age 15-24 use mobile phone to search for information (figure 11). (Curtis 2019.)
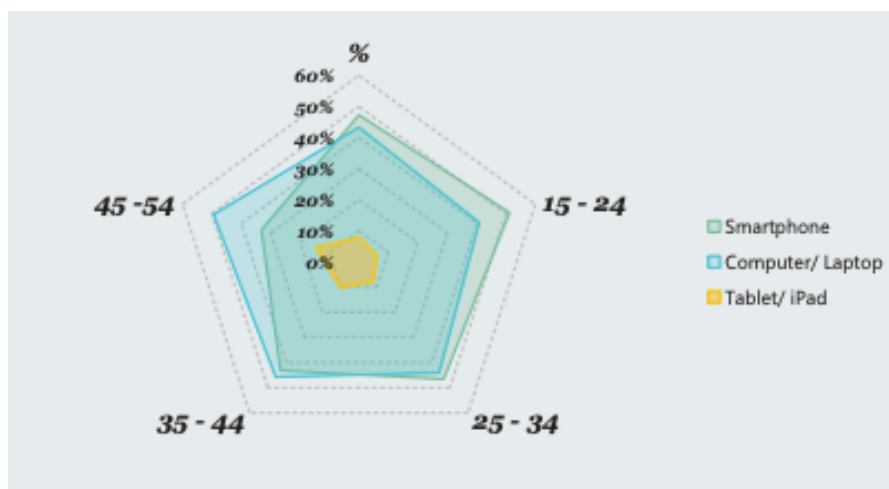
Figure 11 Devices used to search for brand information (Decision Lab 2017)

Gen Z are also skeptical of information they get from online. They believe the information is arranged by brands. Interestingly this means that Generation Z do not place much trust in influencer marketing, unless the influencer is an expert in their field and knowledgeable about the products/services. Vietnamese Generation Z trust their parents, siblings and experts more than online reviews and social media, with 72% of survey correspondents. Winning over Generation Z is all about the matter of authenticity, placing focus on

conveying positive experience to real consumers. Compare to other generations, gen Z are picky in recommending places for others due to their tendency to shop around. (Decision Lab 2017.)

Gen Z's lives happen on social media. They use social medias to connect with friends and express themselves. Gen Z make use of store set up and design to take pictures and document their hang out experience with friends onto social medias. Gen Z are attracted to creative menus and attractive arrangements of foods and they share these onto social medias. But Gen Z are not shallow. They are cognizant of social issues and place interest in this area. Figure 12 displays a few social issues that Gen Z cares about most.
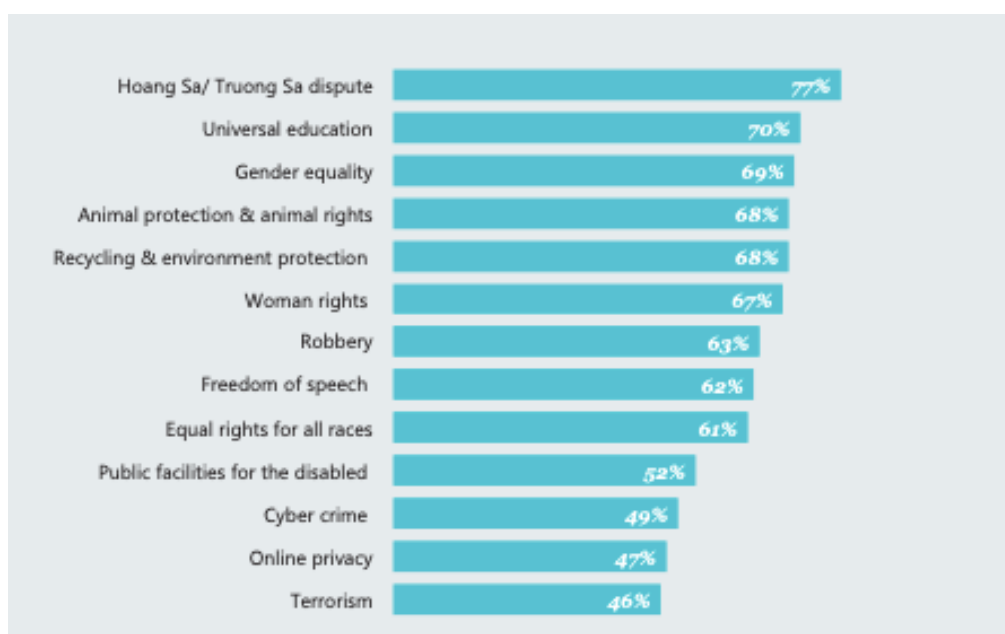
Figure 12 How much do you care about the following causes or happenings? (Decision Lab 2017)

Brands nowadays need to be socially involved, running campaigns to support a cause. This is a risky move but if executed meaningfully, the brand's position in Gen Z's eyes are improved significantly. Gen Z eat a lot throughout the day. In the third quarter 2017, gen Z paid 133 million visits to foodservices point. Per month, Gen Z spend 892 443VND (=€33.38) Gen Z's go-to foodservice points are quick services (25%), canteen (20%), fast casual (18%), street food (18%), convenience store (17%). Gen Z prefer tea, especially bubble tea, to coffee, alcohol and other beverages. (Decision Lab 2017.)

4   FOOD DELIVERY SERVICES

Food delivery services are expanding, in both numbers and reach. Customers can now order a variety of foods straight to their location with only a tap on their mobile devices. Worldwide, the market of food delivery values at €83 billion with the annual rate of 3.5% of growth in the next five years. (Hirschberg et al. 2016.) Uber Eats ranks first in growth rate in the U.S, with 8.7 million active mobile users in the first quarter of 2017 despite its late entry to the food delivery market (Gupta 2018).

The history of food delivery began in London, during the Second World War. Due to fear of bombing and aerial attack from enemies, citizens were constantly in hiding in bomb shelters or underground hiding places. The idea of food delivery to home was invented by British Government in response to this to make sure citizens were healthy and well during time of war. Groups organized mainly consisted of chefs, volunteer kitchen staff and deliverers. The service was remained even when the war had ended and words of the service reached the United States. The first home food delivery took place in the U.S in 1952 to reach the people who could not get out of their home. From Philadelphia, the service expanded to Columbus, then New York, and today, the service is available all over the world. (Flushing Food 2014.)

As of the report conducted in 2016, the most common form of food delivery is the traditional model. A consumer places an order for the local pizzeria and waits for the foods to be delivered to their doorsteps. The traditional model has a whooping 90% of market share in the US and most orders are still places through phone (Hirschberg et al. 2016.) However, with the rise of technology, there are more food delivery models arising to capture the interest of consumers and simplify their lives.

Food delivery services are not contained within the concept of delivering only ready-made, instant-consumption food for customers. Food delivered can be prepared food, set of ingredients for food making, fresh produce from customer's shopping list. Figure 13 showcases some notable brands in each sector and their positioning over competitors in the same market.
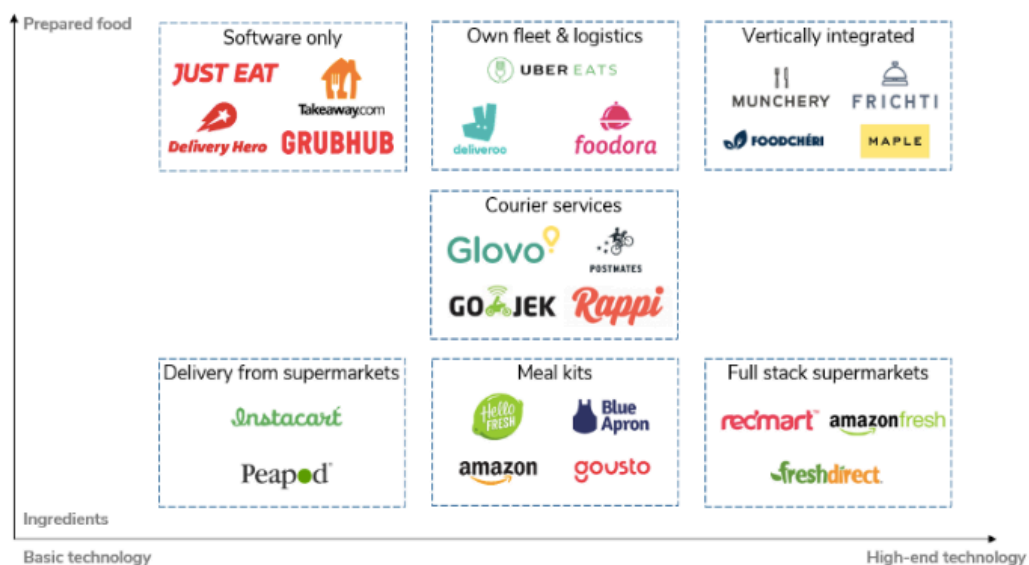
Figure 13 Food Delivery Ecosystem (Kravets 2018)

There are services that allow supermarket goods to consumers, fresh produces and even frozen items. This is a service provided by supermarkets themselves to cater to consumers who do not want or have time or have the physical capability to go to the supermarkets and buy products themselves. Meal kits are services that send you box with ingredients and recipes to make a specific dish. This service caters to consumers who do not want to waste time buying ingredients but still want to have the front row view to how the food is prepared. Full-stacked supermarkets differs in the aspect that they both display product catalogue and offer delivery services and the fact that there is no brick-and-mortar supermarkets. Products are stocked and stored in storages, waited to be shipped out once ordered. Couriers services are purely digital postal services at moment and allow users to ask for delivery of any products from any restaurants, groceries stores, pharmacies, etc. (Kravets 2018.)

The food service under the inspection of this research writing is deliveries of prepared foods to consumers (the top row of Figure). There are three models for prepared food delivery services:

- aggregator (software only)

- logistics-concentrated food delivery (own fleet and logistics)

- full-service on-demand delivery (vertically integrated).

Aggregators provide a software to bridge customers and restaurants. Restaurants put their menu onto the platform, customers place the orders, then the platform passes the

orders back to restaurants. Logistic-concentrated food deliveries provide a platform, web-based and mobile based, where customers can browse the menus of partnered restaurants and make orders for more than one restaurants. This model of food delivery services has their own fleet and logistics solution for delivery. Restaurants benefits from the partnership as they need not to worry about paying deliverers, maintaining vehicles and insurance. This type of business charges restaurants and customers a fixed amount of money. The difference between aggregators and logistics-concentrated model is that for aggregator model, the restaurants take care of delivery and are the only one charge for the using the platform. Full-service on-demand models employ their own chefs and do the delivery with in-house sourcing. The food is only prepared when an order is made and then delivered to consumers. Consumers have full disclosure of ingredients. (Oza 2017.) The differences of the three models can be condensed into the table 1 underneath.

Table 1 Differences in Online Prepared Food Delivery Models

	Ordering	Cooking	Delivery
Logistics-concentrated	✓	✗	✓
Aggregator service	✓	✗	✗
Full-service on-demand	✓	✓	✓

5   CASE COMPANY

5.1   Background, Business Model, and Competitors

This chapter discusses the case company. The company's background, business model, competitors, competitive advantage and penetration in Vietnam market is touched upon.

Delivery Now belongs to Foody Corporation. It was established in 2016 and since then its service has been available in 12 large cities of Vietnam with a total of 57 078 restaurants, individuals with private home-cooked food, online food vendors, and street stalls in partnership. Delivery Now follows the logistics-concentrated business model, providing restaurants with logistical, technological, and marketing support to reach more customers. (now.vn 2018b.). Customers make an order through Delivery Now mobile application or website interface. The order is accepted by the restaurants and the food will then be prepared. After that, Delivery Now deliverers will pick up the food and deliver them to the customers (figure 14).

Figure 14 Delivery Now Business Model Illustration (now.vn 2018b)

According to the survey of 146 respondents in Vietnam, 76.8% of whom know about Delivery Now food delivery service (figure 15).

Figure 15 Do you know about Delivery Now (now.vn)

The penetration rate of Delivery Now in Vietnam market is amongst the highest, due to Delivery Now being amongst the first active, third-party food delivery service in the market, and it being created under a well-established brand name.

Delivery Now does not exist without any competitors. The race for a good market share of food delivery services is a competitive one. Some notable competitors are:

- Vietnammm

- Go Viet

- GrabFood.

Vietnamm is the biggest competitor for Delivery Now. They are the two most common brands that Vietnamese people think of when asked about a food delivery service. Vietnammm is a subsidiary of Takeway.com, a leading online food delivery in Europe with one million orders a month on average, and has been operating since 2013 (Do 2013). Vietnammm pays extra attention to expat consumers with better English language option as well as more seamless experience ordering. With already established popularity in international market, Vietnammm strikes a chord with Vietnamese buyers' psychology of trusting international brand more than national one. Vietnammm only offers their service in five big cities in Viet Nam with 1500 restaurants in partnership as opposed to Delivery Now 12 cities and over 57 00 restaurants of all kinds. (vietnammm.com 2019.)

Go Viet and Grab Food are food delivery services that begin from ride-hailing, Indonesia-based Go Jek and Singapore-based Grab. Both Go Viet and Grab Food partner up with Vietnamese well-known celebrities to present their brands in a move to capture the entertainment-savvy youth of Vietnam. In 2017, Go Viet delivered 2.3 million food orders. Grab Food began offering their delivery service at the beginning of 2018, after a period of running test. Go Viet and Grab Food's competition in Vietnam market is colloquially referred to as green-red rivalry, due to Grab Food's drivers on green jacket and Go Viet's drivers in red jacket. Neither Go Viet nor Grab Food supports placing order on website. (Tu 2018.)

5.2   Marketing

Delivery Now is present on the two most-used social medias in Vietnam, Facebook and Instagram, according to the survey done by the author.

On Facebook, Delivery Now's page is verified with over 300 000 likes and follows. Interaction per posts are however relatively low with under 30 likes and 3-4 comments on

average per post. Delivery Now keeps their Facebook active with one post every hour. Posts contents revolve around promotions, enticing food review.

On Instagram, Delivery Now has several accounts for each city they provide food delivery service in. As of now, there are seven Delivery Now accounts on Instagram for seven cities on Vietnam. Unlike on Facebook, the accounts on Instagram are not verified. However, in general, posts on Instagram receive more likes. Followers count for Delivery Now Hanoi and Ho Chi Minh City are the highest, 72 800 and 68 600 followers. Posts are updated roughly 6 times a day.

6 EMPIRICAL RESEARCH AND DATA ANALYSIS

6.1 Design of Empirical Research

Empirical research is the type of research that formulates a theory based on concrete evidence. The nature of empirical study is its verifiability. The evidence for empirical research can be conducted via quantitative and qualitative research, as stated in chapter 1. Quantitative research is research that yields numerical data, statistical prevalence of sample size. Qualitative research is research to find non-numerical data, such as opinions, behaviors. (Bhat 2019.) In this research, both qualitative and quantitative method are used to gather data.

The quantitative research is conducted through the means of an online survey. This is the main source of primary data. The survey is conducted in Vietnamese. The author provides the survey questions translated into English in appendices 1. The survey is done with the goal of creating a generalization of Generation Z and Millennials' decision journey in choosing food delivery service. The survey is distributed in a few Facebook groups as well as directly sent to respondents via Facebook messaging service. The survey comprises of nine multiple choice questions, seven rating questions one short answer questions.

The qualitative research is done by interviewing Delivery Now users in Ha Noi city. The questions are detailed in appendices 2. There are two interviews, both are conducted via email. The questions are geared towards users' opinion on the service of Delivery Now and what could have been done better to provide the best experience to customers. To fit within the scope of the thesis, one interviewee is a Generation Z, and the other is a Millennial for comparison, if there are any dissimilarities, between generational expectation for food delivery services.

6.2 Data Collection

This chapter puts the author's data collecting process in a linear manner. Figure 16 displays the steps according to the correct timeframe.
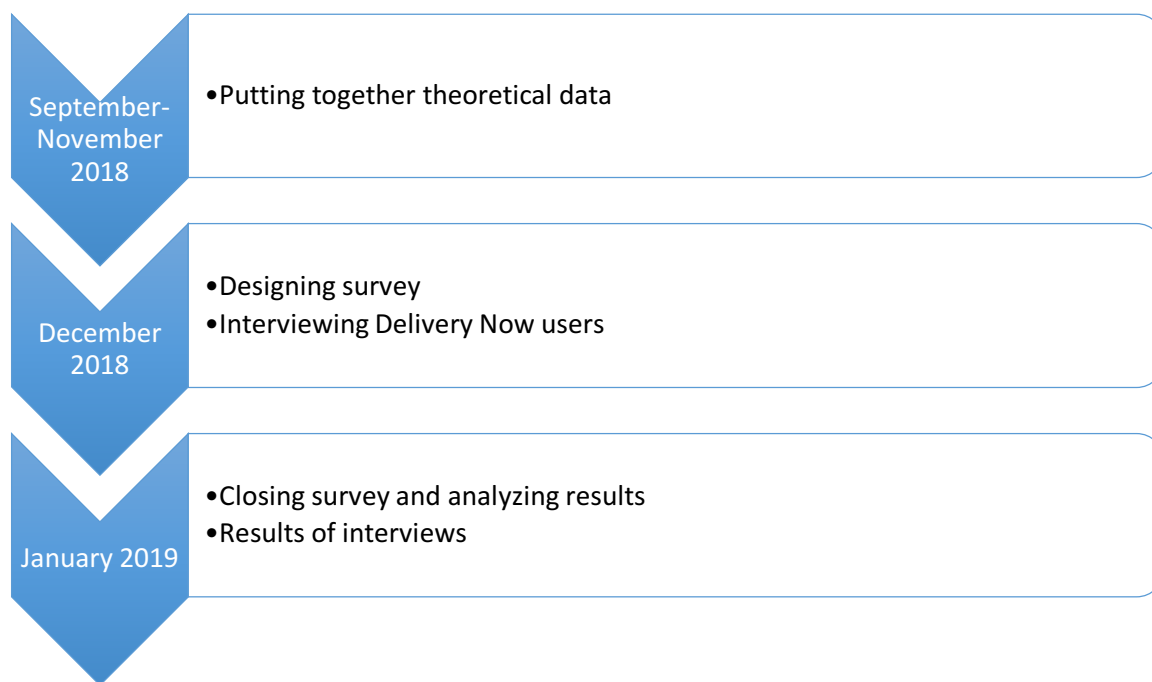
Figure 16 Data Collection Process

The author began writing the thesis in September 2018. The author started with gathering information about consumer decsion making process, Millennials and Generation Z as consumers and food delivery business. After the theory part, the author prepared the survey questions and interview quessitons. The survey was created on Google Form and sent to a few Vietnamese Facebook group as the target of the study is Vietnamese Millennials and Generation Z. The survey was distributed out on January 12th 2019 and was opened for one week. The author randomly picked some of their acquantiances and relatives to be interviewed via messenger application. Both the interviews and the survey were conducted in Vietnamese.

In total, there were 178 responses, out of which 43 responses are invalid; five left empty and 38 responses not within the age range the research. Therefore, there are only 135 valid responses. The analysis and interpretation of the data, both qualitative and quantitative, is explained in the next section.

6.3   Data Analysis

6.3.1   Data Analysis of Survey

The survey aims to answer the first sub-question "What attributes do target group value when choosing a food delivery service?" The first two questions of the survey are questions regarding demographic of respondents. Since the research places a focus on

Millennials and Generation Z as consumers, only responses from those two age group are considered. As of 2019, Generation Z age range is from 14-22, Millennials age range is from 22-38.
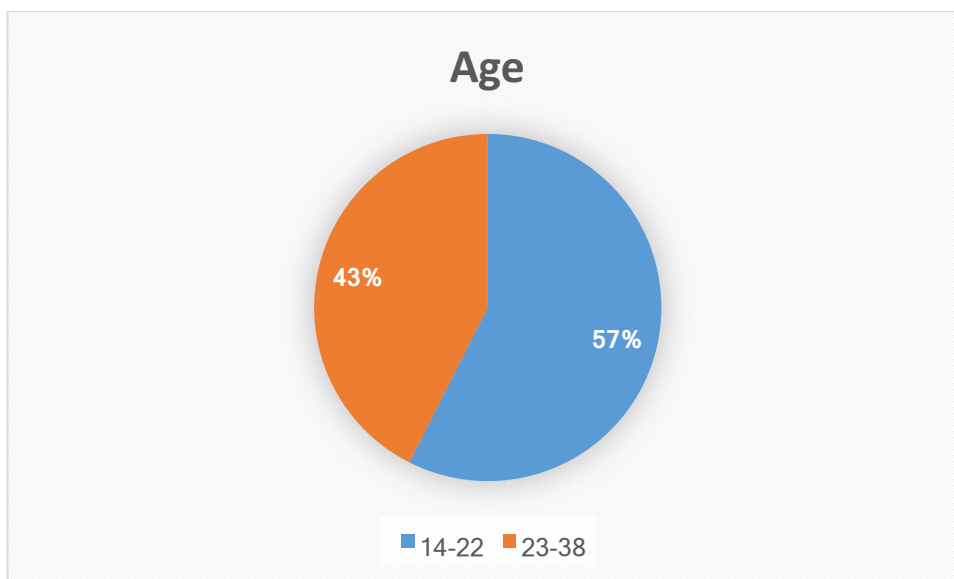

Figure 17 Millennials and Generation Z distribution of respondents

Out of 134 valid responses, 77 respondents are in the age range 14-22 (Generation Z) and 57 respondents are in age range 23-38 (Millennial). From the valid data, 104 respondents are female, accounting for 77%; 28 respondents are male, accounting for 21%. One respondent picks others for their sex, and one are inclined not to disclose their sexuality.
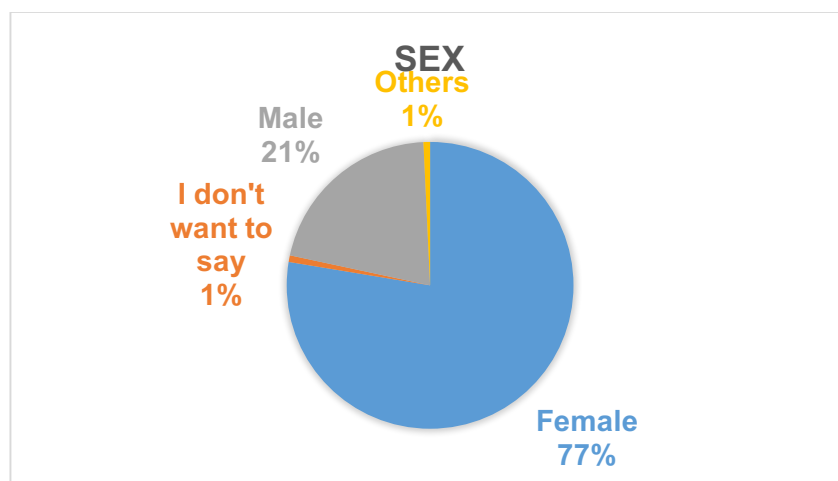
Figure 18 Sex distribution of respondents

The next question asks respondents the importance of different elements when they pick a food delivery service. There are seven elements that respondents need to rate from one

to five, with one as strongly disagree, two as disagree, three as neutral, four as agree and five as strongly agree.

Importance of Elements in Choosing a Food Delivery Service
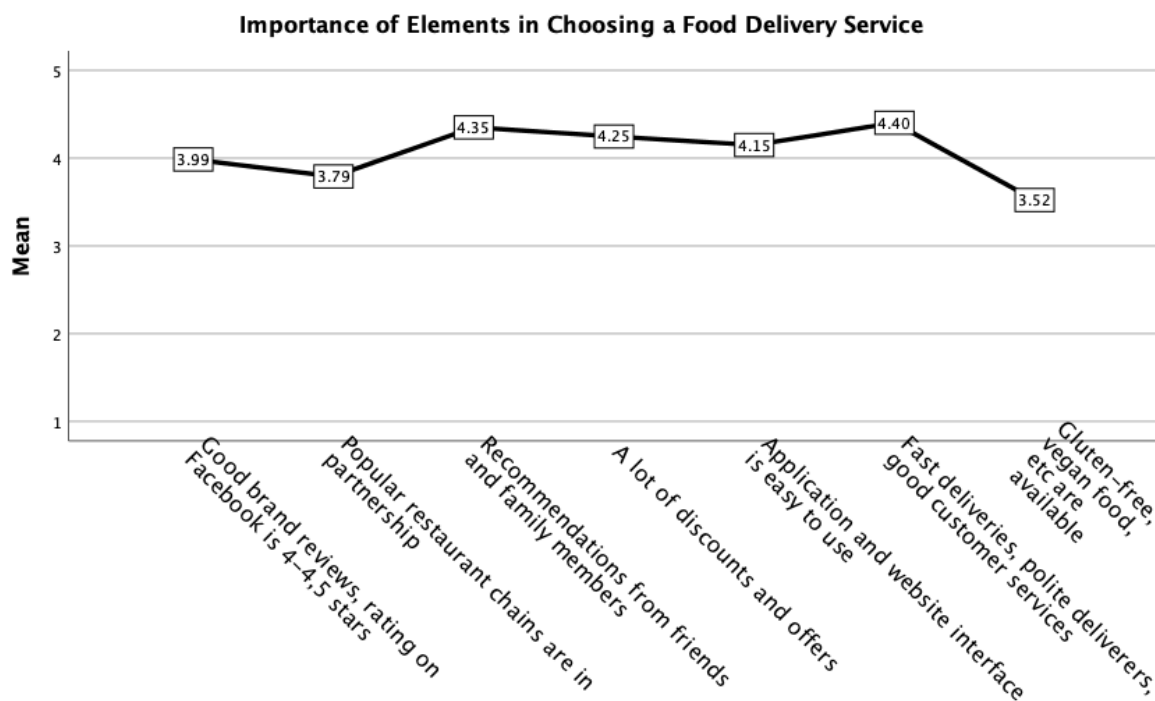
Figure 19 Rating of Elements when Choosing Food Delivery Services

Of seven elements, the most important element for cosumers to pick a food delivery service is the speed and quality of the service with the averge rate of 4.4. Other factor such as friends and relative recommendations, the number of discounts and promotions and usability of the application and website also score highly, 4.35, 4.25 and 4.15 respectively. Interestingly, while dieting is a growing trend among Vietnamese youths, availibility of specialized food such as gluten-free food, vegan food and beverages does not score high on the list of elements considered when picking a food delivery service, only 3.52 on avarage. The large quantity of popular brands in partnership is not a deciding factor either with the average of 3.79. Many Millennials and Generation Z opt to go to the stores and eat in, in order to enjoy the atmosphere and design most popular restaurants are well known for. Ordering food from these restaurants and shops to home seem to be a waste in many Millennials and Gen Z's opinon.

Once it is clear on what elements Millennials and gen Z consider when choosing a food delivery service, it is time to know from which channel costumers use to look for information about food delivery service. The choices are friends, family members, google

and social medias, online advertisements (such as banner ads, google ads, etc), all of the above and others.
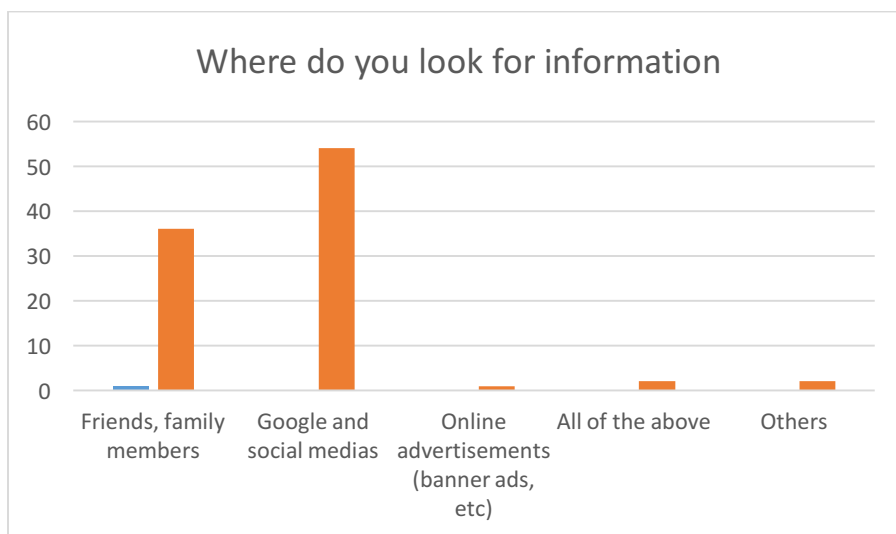

Figure 20 Where do you look for information regarding food delivery services

57% of Gen Z and Millennials respondents look for information regarding food delivery service on Google and social medias. 38% turn to friends and family members to ask for recommendation. Only 1 respondent learn about food delivery brands through paid advertisements. With such high percentage of respondents opting for social medias as a information search ground, the next question determine on which social medias Vietnamese Millennials and Gen Z use most.
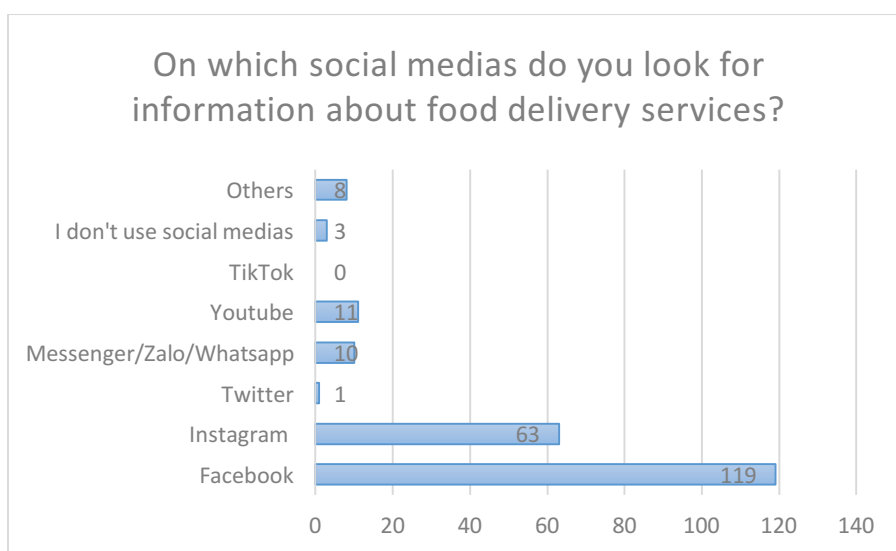
Figure 21 Social Medias Vietnamese Millennials and Gen Z use to look for information

Instagram and Facebook are the most used social media for Vietnamese Millennials and Gen Z. Delivery Now could push forward for more activities and more variety of post and

contents on Facebook. Contents are always regarded highly on Facebook, shareable contents that ask for participation of users, mini games, giveaway, infographics or even food trends discovery.

The next questions aim to find out the device that target group mostly use for checking social medias.
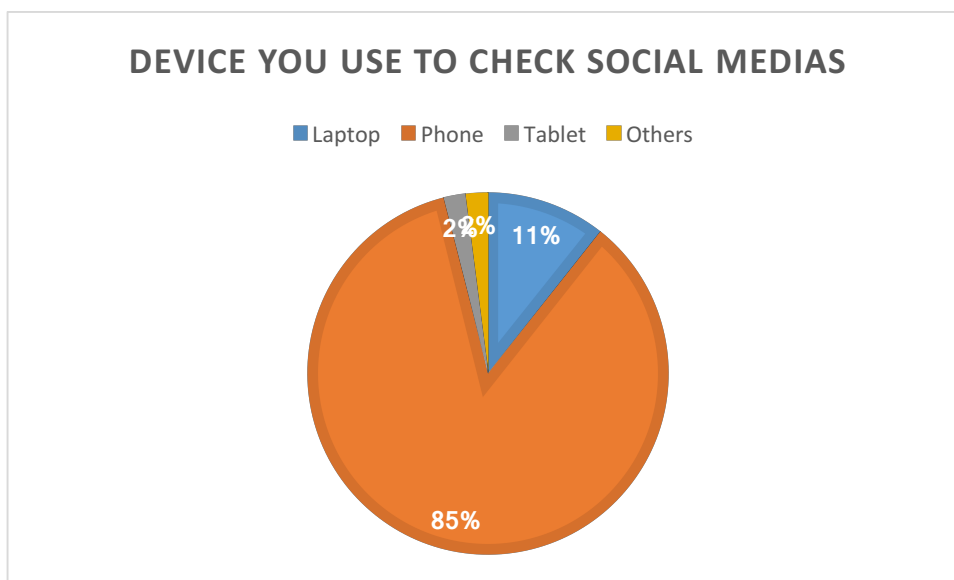

Figure 22 Device used for checking social media

85% of respondents check their social medias mostly on their mobile phone, while only 11% check their social media through laptop. Food delivery services should focus more on streamlining experience on mobile device and creating ads that are tailored to mobile landscape.

Knowing how often target group order food through delivery service gives lights into he habits of target group.
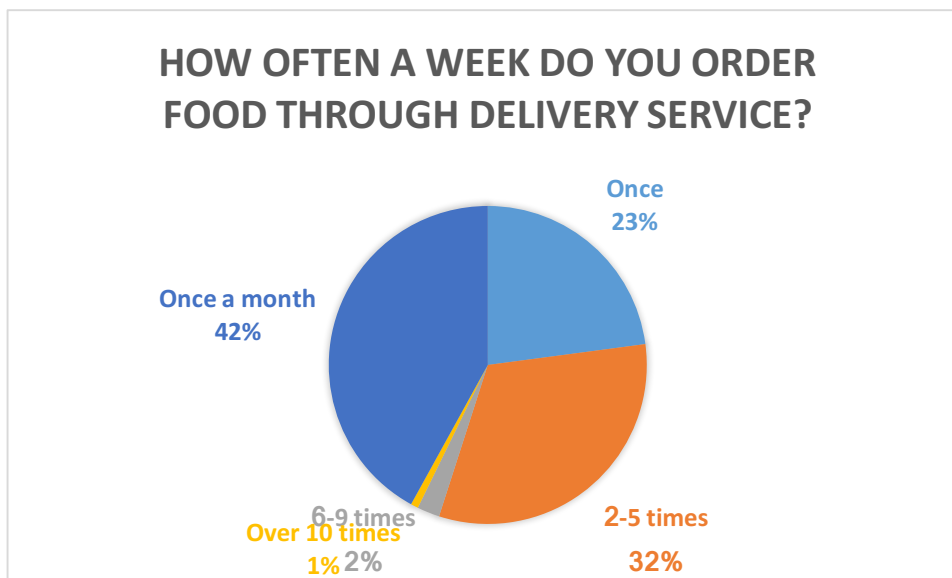
Figure 23 How often a week do you order food through delivery service

55 respondents accounting for 42% said they ordered food through delivery service only once every month, and 42 respondents accounting for 32% said they ordered 2-5 times a week. 23% said they ordered food through delivery service once a week.

The next question asks the reason why consumers want to use food delivery service. Obtaining this information will help Delivery Now pin down the need and want of customers, and through that to create better experience that fulfil the needs and want as well as designing the marketing message to fit with the needs.

Figure 24 Reasons why you want to use food delivery services

An overwhelming 84 respondents, 51% of the total valid responses, say they didn't want to go out to buy food as the main reason for using food delivery services. 14% of

respondents pick the convenience that food delivery services bring as the main reason to use the service. 14% of respondents use food delivery services because of the discounts and promotions. School/work business and weather/ sickness reason each account for 8%of responses. There are five responses with option others. Respondents list reasons such as cheap price, laziness, etc.

The last question aims to test the penetration percentage of Delivery Now in Vietnam market. As one of the forerunners of food delivery services, it comes with no surprises that 77% of respondents know of the case company, Delivery Now.
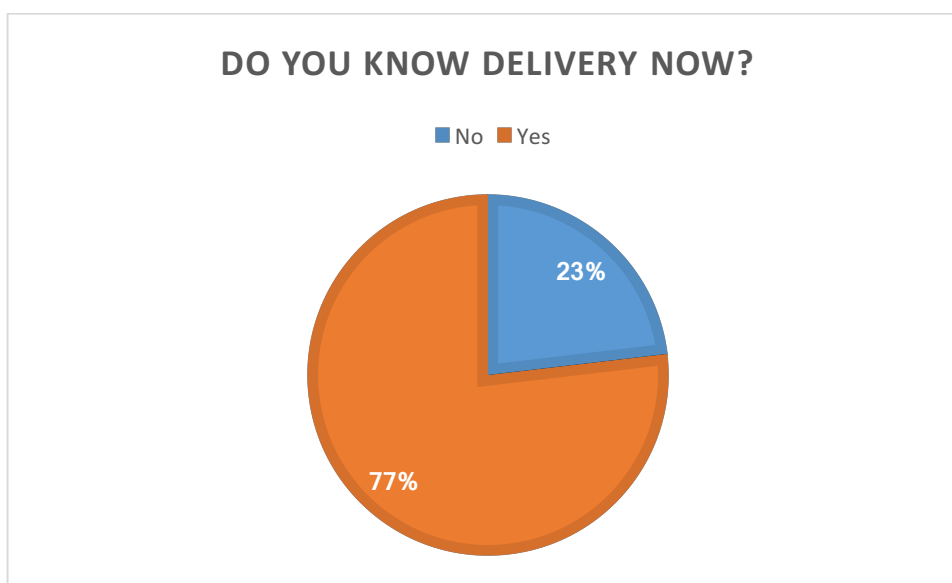

Figure 25 Do you know Delivery Now

Delivery Now has a clear advantage with a high percentage of market penetration. However, as the food delivery market gets more and more competitive with more competitors entering the market, it is crucial that Delivery Now stay on top of the game and keep on fulfilling the needs and wants of Millennials and Gen Z customers as they are the customers of the future marketplace.

6.3.2 Data Analysis through Interviews

Due to limited time and resources, the author can only conduct two interview with Delivery Now users, one is a Millennial (age 30) and the other is a Generation Z (age 22). Both are females. There are three questions in the interview. Both interviews are done through messenger application of Facebook and in Vietnamese. The interviewees answers are translated into English. The questions are provided in appendices 2.

The first question attempts to find a reason as to why they use food delivery services. The question is "Why do you use food delivery service?" This will help case company create

fitting marketing message as well as identifying the needs and wants of Millennials and Generation Z.

> *Interviewee 1 (Millennial): I use order food though delivery services mostly for lunch and snacks during workhour and dinner at home. It is much simpler to browse the available options on the platform of food delivery service and then pick an option than having to wreck my brain thinking what I should eat.*

> *Interviewee 2 (Generation Z): I mostly order snacks together with friends to home. Sometimes my friends and I want to hang out but don't want to go out of the house so we just order snacks and drinks straight home and organize some get together.*

According to the interviewees' answer, their reasons for using food delivery services boils down to convenience and disinclination to go out to get food.

The second question aim to gather information on where interviewees search for food delivery services. The question is "How did you know about Delivery Now?". This question provides case company an effective place to communicate with customers as well as reach them before competitors do.

> *Interviewee 1 (Millennial): One of my colleagues used it to order lunch for the office. I found the service was extremely good and started using the service since then.*

> *Interviewee 2 (Generation Z): I already know the name of food delivery services; the matter is only choosing which one. So, I go to the service's Facebook page (every brand must have a Facebook page nowadays; if they don't, I consider them scammers) and check for ratings as well as scroll around to see if they are active online. Depending on the information I gather, I might or might not ask for a friend's advice. I am a bit of an over-worrier when it comes to "money for value" thing.*

Interviewer 1 has already experienced the service of a specific food delivery service so it is simple for her to use the service that she already knows. Positive word-of-mouth is also a good factor in guiding interviewer 1 straight into buying loop. However, interviewer 2 displayed care and detailed thought process when deciding on a food delivery service to use. A notable different between interviewer 1 and interviewer 2 is their awareness of available services on the market. While interviewer 1 knows only the one delivery service her colleague used, interviewer 2 are actively aware of the choices she has. Interviewer 2 displayed a tentative trust in the activeness of delivery service on Facebook to tell whether the food delivery service can bring her the service they promise. Both interviewees place high value for friends' opinion in their decision-making process.

The third question revolves around developing a long-term relationship with potential customers, meaning what values food delivery services can bring to consumers that convince them to be loyal consumers. The question is "How likely are you to stay loyal to Delivery Now?"

> *Interviewee 1 (Millennial): I don't think I'll switch to a different delivery service for food. I have had good experience with Delivery Now up till now, after around eight orders. Hot food is still steaming, cold drinks are still cold to the touch when they arrive at my office or home; the deliverers are polite and the deliveries themselves always arrive within 30 minutes of ordering. Ten out of ten for service.*

> *Interviewee 2 (Generation Z): Uh, there's no loyalty program from any food delivery services so I don't see the point of sticking with Delivery Now. I order food home I think once a month so I will just pick the service that have some sort of promotions for the food I like then I'll order through them. If I were to stick with one delivery service, I think that would be because they have partnership with a restaurant that I especially love. But well, if I find loads of good cheap foods, I will probably put the service on the top of my list.*

Interviewee 1 displayed loyalty to Delivery Now. Good first impression had a tremendous impact on pulling interviewee 1 into the loyalty loop. Interviewee 2 had no qualms against switching brands but would consider a brand first if the brand had a large variety of cheap food. This could be due to reasons like income and lifestyle. Interviewee 2 is still a university students with limited budgets, while interviewee 1 has a stable job.

7   RECOMMENDATION

7.1   Reaching Millennials and Generation Z during Initial Evaluation Phase

Initial evaluation is the first phase in the customer decision-making journey. As detailed in section 2.2.3, for brands to success in initial evaluation, they need to have strong brand awareness. That is why Deliver Now needs to reach out to the target consumers. Millennials and Generation Z are both tech savvy and skeptical of advertisements catered to their online journey. Therefore, it is best for Delivery Now to reach potential customers by creating a strong bond with existing customers and employing the word-of-mouth effect to reach as many potential consumers as possible, earning their trust and convincing them to try effectively. Gen Z is also the generation of fully digitalized world. Seamless transition from Facebook post to ordering page is a must have.

Knowing what Generation Z and Millennials' need and want guides Delivery Now in creating a better marketing message that address these needs and wants. Gen Z and Millennials both want convenience and little activities to acquire food. Delivery Now should concentrate on addressing these needs and wants to create instant connection with potential Gen Z and Millennials customers. A little fun and characteristics to a Facebook post is what keeps Gen Z and Millennials interested. Shareable, valuable contents such as infographic, trendy memes, are what draws the attention of Gen Z and Millennials to the fun side of the brand.

7.2   Reaching Millennials and Generation Z during Active Evaluation Phase

After Delivery Now gets through initial evaluation phase, the case company will now enter the next phase, active evaluation phase. In this phase, Millennials and Gen will actively weigh the pros and cons of every known food delivery services. For this phase, Delivery Now could convince Gen Z and Millennials with its competitive edge such as fast deliveries, friendly deliverers, fast process of orders. A video of a deliverer on his way to destination with a timer will pique the interest of potential customers as well as place the case company as a brand that is close to the customers and interesting.

8   CONCLUSION

8.1   Answers to Research Questions

The thesis is written with the purpose of identifying the elements that effect Millennials and Gen Z in their decision journey when choosing a food delivery service in Vietnam. As the sub-questions supplement the main research question, the sub-questions will be answered first.

Sub-questions:

What attributes do target group value when choosing a food delivery service?

The target group, Millennials and Gen Z, value the speed and quality of the delivery most. It could be a deciding factor to ensure target group consumers are satisfied and are likely to turn into semi-advocators for the service. This target group is vocal about their experience with the service, whether good or bad, they are likely to write reviews and give feedbacks. Target customer group ask for recommendations from friends and family members also when making the final decisions.

Where does the target group look for information when considering a food delivery service?

Target group turns to Facebook, Instagram and Google to search for information about food delivery services. Keeping Facebook and Instagram active is crucial. Food delivery services can utilize Google AdWords to create ads and launch them during strategic timing, when target group is likely to search for food delivery services, for example, an advertisement launched during lunch time within 2km of a block of office buildings.

What values do food delivery service bring to target groups that keep them?

Convenience is the value that convinces target group to pick a food delivery service over the other. The experience must be made easy to use, the choices span over a large range of food and drinks, the payment is hassle-free, the speed of the interface is without any interruption.

Main research question:

How can food delivery services build long-lasting connections with Vietnamese Millennials (age 22-38) and Generation Z (age 14-22) when they interact with the platform?

Millennials and Generation Z in general are generations of digital, online-scape. Everything is moving away from the physical world into digital, creating a space where everything can be done with just a click or a tap. Vietnamese Millennials and Generation Z are no different. Social medias and their phones are inseparable objects in their daily lives. To build a connection with Millennials and Generation Z, food delivery services should focus on social medias as a tool to communicate, connect, and show brand's personality.

Brand loyalty is hard for Millennials and Generation Z. Due to the excess of available brands, they are compelled to shop around and test new products and services. However, Millennials and Generation Z are loyal customers when brands earn their trust. Knowing what the target group needs and wants from food delivery services. Target group wants a food delivery services that can bring convenience to their life. But that is not all that convince target group to stay loyal. Building trust is what matter to keep target group connected with the food delivery services. Trust in food delivery services come fin many forms, across touchpoints of deliverers' attitude, quality of the food delivered, prompt customer helpline if something goes wrong. Peer-to-peer recommendations also play a vital role in creating the first line of trust.

8.2   Validity and Reliability

Validity and reliability are two important facets in a research. Reliability refers to the consistency of the research, meaning that results are repeatable and not a one-off finding. Validity points to the accuracy of measurements the research is supposed to test (Shuttleworth 2019).

The research is conducted to answer the research questions. The purpose has been fulfilled, as all the sub-questions and main questions have been answered. The research used both primary and secondary data. Primary data were collected through distribution of online survey and interviews. The survey was distributed in a Facebook group. There was a total of 178 responses, out of which only 135 responses fell into the target group the research focus on. The survey was prepared in Vietnamese, all the answers were properly translated into English for the research. There were two interviews done with users of Delivery Now, one 30-year-old, a Millennial, and another 22-year-old, a Generation Z. Both interviews were done in Vietnamese and through messaging application of Facebook. Even a good research cannot cover all grounds and aspect of the research topic due to limitation on time and human resources. The author acknowledges that two interviews are not enough to provide a good level of validity for the research. However, since the survey has gathered a decent sample size, the author

believes the results from the empirical research were partially enough to answer the questions of the research. Secondary data are gathered through books, peer-reviewed articles, official and related to the topic of the research. The author considers this research to be partially valid, as more interviews could have been done to have a generalization of target group for case company.

The author puts data collection method and methodology research in plain sight with details. The research is finished with the case company and their target group of consumers. The research is consistent, in which everything is done to reach the final single goal. The survey was distributed to a large group people, among which are the target group of the research. The interview questions were designed in an open-ended manner to ensure deeper connection and more freedom to interviewees. The research is reliable.

8.3   Suggestion on Further Research

The thesis was created to find out the elements during the first two phases of the customer decision journey that can draw Vietnamese Millennials and Generation Z into a loyalty loop when choosing a food delivery service. More research could be done for the later phase of the Vietnamese Millennials and Generation Z's decision-making journey.

Furthermore, this thesis only focuses on two generations of consumers. A research about Vietnamese Generation X (age 39-54) should be done to help Delivery Now have a complete map of customers of all age group decision-making journey. This research only focuses on Vietnamese consumers, but research on expats in Vietnam can be useful to the case company in acquiring new customer base.

9   SUMMARY

The thesis attempts to generalize Vietnamese Millennials and Generation Z decision-making journey when picking food delivery services. The information is useful for the case company since Millennials and Generation Z are the future consumers and they are different from the previous generation of consumers with different expectation and demand. There are four phases in the customer's decision journey. The thesis analyzes the initial consideration and active evaluation phase of Vietnamese Millennials and Gen Z in their decision-making journey.

The thesis employed inductive reasoning. The author first began with explaining the psychology of motivation, following by the old and new models of the decision-making journey. The next chapter explored in-depth how Millennials and Gen Z are as consumers with a focus on Vietnamese Millennials and Gen Z. Chapter four detailed the business model of food delivery service.

Chapter five began looking into case company Delivery Now, their business model and histoy. The case company's social media presence and competitors were also discussed. In chapter six, the author presented the emperical data and its analysis. Data were colected via both interviews and online survey and provided valuable insights into Vietnamese Millennials and Gen Z decision-making journey for case company.

Chapter seven kept the author' recommendation for case company for their future marketing plan to target group. The main research quesiton and all the sub-questions were answered in chapter eight. The author expressed the belief in the validity and reliability of the research as well as suggested how the research coul be futhered. The thesis reaches all the goals set and is valid and reliable on all account.

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APPENDICES 1

SURVEY QUESTIONAIRE

1. How old are you

    a. 14-22

    b. 23-38

    c. 39-54

    d. 55-73

2. Gender

    a. Female

    b. Male

    c. Other

    d. Prefer not to say

3. Do you know about food delivery services?

    a. Yes

    b. No

4. Which factors help you decide on which food delivery service to use? Rate these following statements on the scale of 1-5

    1=strongly disagree; 2=disagree; 3=neutral; 4=agree; 5=strongly agree

    - Good brand reviews, rating on Facebook is 4-4.5 stars

	1	2	3	4	5	
Strongly disagree	○	○	○	○	○	Strongly agree

    - Popular restaurant chains are in partnership

	1	2	3	4	5	
Strongly disagree	○	○	○	○	○	Strongly agree

- Recommendation from friends and family members

	1	2	3	4	5	
Strongly disagree	○	○	○	○	○	Strongly agree

- A lot of discounts and offers

	1	2	3	4	5	
Strongly disagree	○	○	○	○	○	Strongly agree

- Mobile application and website interface is easy to use

	1	2	3	4	5	
Strongly disagree	○	○	○	○	○	Strongly agree

- Fast deliveries, polite deliverers, good customer service

	1	2	3	4	5	
Strongly disagree	○	○	○	○	○	Strongly agree

- Gluten-free, vegan food options are available.

	1	2	3	4	5	
Strongly disagree	○	○	○	○	○	Strongly agree

5. Where do you look for information about food delivery services?

    a. Friends, family members

    b. Google and social medias

    c. Online advertisements (banners ads, etc)

    d. All of the above

    e. Others

6. On which social medias do you look for information about food delivery services (choose up to 2)

    a. Facebook

    b. Instagram

    c. Twitter

    d. Messenger/Zalo/Whatsapp

    e. Youtube

    f. TikTok

    g. I don't use social medias

7. On which device do you usually use social media?

    a. Phone

    b. Laptop

    c. Tablet

    d. Others

8. Reasons why you order food through food delivery services (choose 2 options)

    a. I don't want to go out to buy food

    b. Due to health issue and/or unfavorable weather

    c. I have discount codes

    d. I'm busy with schoolwork

    e. Others recommend the service to me

    f. It's convenient

    g. Others

9. How many times a week do you use food delivery services?

    a. Once a week

    b. 2-5 times a week

    c. 6-9 times a week

    d. over 10 times a week

    e. I order food through delivery service once a month

10. Have you ever heard of Delivery Now?

    a. Yes

    b. No

APPENDICES 2

Interview Question 1: Why do you use food delivery service?

Interview Question 2: How did you know about Delivery Now?

Interview Question 3: How likely are you to stay loyal to Delivery Now?