Exploratory Insights into Cross-Cultural On-line Shopping Differences between U.S. and French Millennials and Generation Zs

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ABSTRACT

Online retail sales have shown double-digit growth in the U.S. for the last decade lead by millennials and more recently generation Z. While extensive research has been done exploring U.S. online shopping behaviors of these generations, little cross-cultural work has been done. This paper explores the differences between the U.S. and French millennial and gen z online shoppers. The research focused on four questions; was there a difference in the number of times per week that individuals shopped online, the percentage of shopping funds spent online versus in store, the types of products purchased online, and the percentage of low priced products (below $25 or €25. Results showed significant differences between the online shopping and purchasing behaviors between French and U.S. online shoppers.

INTRODUCTION

For decades, marketers have scanned international markets for attractive growth potential. Underdeveloped economies can offer strong growth opportunities but often can include high risks both economically and culturally. Conversely, indU.S.trialized countries might not offer attractive growth potential but might include attractive risk conditions due to their established economic and social conditions. Such differences highlight the importance for marketers to understand consumption patterns across different economies and cultures in designing international marketing strategies.
The growth of online sales, for example, has long been a particularly important international trend with differing acceptance rates in varying markets (Kim, Yang, and Kim, 2003). There is ample evidence, that for a variety of technical, cultural linguistic, and economic reasons (Kulach, 2018) the proportion of online retail sales can vary dramatically between different countries and cultures. Whereas 15.9% of recent Singles Day sales in China were online, for example, e-commerce's share of total retail sales was only 2.8% worldwide (Edquid, 2017). In comparing online spending differences across various countries, the United Kingdom spent the most per capita at $4,201 in 2017 – well over three times that of the country in 10th place, Germany, at $1,283 (Frisby, 2018).

Knowing the prevalence of e-commerce penetration in a country can be of great use to U.S. marketers. The purpose of this research, therefore, is to offer U.S. marketers general insights on the differences between American online consumption patterns and those of another of the established world markets, France.

ONLINE SALES TRENDS

Online sales in the U.S. have been growing steadily. From 2016-2018 U.S. online sales grew nearly 30% from $390B to $504B. This figure is predicted to grow to $700B by 2022 (Statista, 2018a). Globally, business to consumer e-commerce sales was at $2.3T in 2017 (Orendorff, 2017).
In the U.S. in 2017 total e-commerce sales were $453B (Zaroban, 2018) or about $1,410 per person. Online sales were approximately 9% of total retail sales (Statista, 2018b). This strong growth rate within the U.S. has further encouraged many U.S. retailers and manufacturers to consider global markets to sell their products without requiring international distributors. These conditions are especially important to the entrepreneur or small manufacturer without the means to mount an international marketing campaign (Inc, 2009) especially when testing the market in another country.

By comparison, France is the 6th largest e-commerce market in the world with $43B in 2017 (Edquid, 2017). As such, the French market offers an industrialized marketplace with appealing market potential. The French spent about $98B in 2017 online, equalling about $1,500 per person in e-commerce products and services (Reuters, 2018). This amount represented 8.7% of total retail sales in France. By spending, there was little difference between the French and U.S. online shopper.

PRIMARY ANTECEDENTS OF ONLINE SALES WITHIN ESTABLISHED ECONOMIES: RISK AND TRUST

Kuhlmeier and Knight (2005) found a direct correlation the perception of risk involved in making an online purchase with the decision to choose e-commerce both in the United States and in France. Of note, they did not find such a correlation in examining a less industrialized country, Macao. Other researchers have found similar relationships when considering risk from the perspective of how much a consumer trusts the online seller (Kim and Byramjee, 2014).
Since trust might not be the only determinant of perceived risk in making online purchases, other measures of risk should also be considered and tested. Differences in disposable spending across different nations, for example, could affect perceptions of risk in making specific purchases – even within industrialized countries. Perceptions of risk could also be driven by differing cultural core values across different nations. Such distinctions could potentially drive online purchase differences among consumers of varying nations.

STUDY

In this study, the online shopping behaviors of Millennials and Generation Z in France and the U.S. were compared. While the exact start and end birth periods for these generations can be debated, they are defined here as Millennials 1981-1995 and Generation Z as 1996-. These generations were chosen because they represent the largest generational group in the American workforce with 61 million workers or 40% of the U.S. workforce (Fry, 2018) and worldwide it is predicted that millennials alone will represent 35% of the global workforce by 2020 (Statista, 2018c). Therefore the group represents not only a large number of potential buyers, but individuals between the ages of 18 and 35 have traditionally been the group targeted by marketers because these are the years when individuals are going through many transitions in their lives. It is during this time that individuals are completing school, moving out of the house, starting their work life and careers, getting married, and having children as such, product decisions that were once the domain of others now must be made by them. Habitual product purchasing patterns that may last for a lifetime are now being formed.

Since online shopping behaviors might differ by types of products purchased, the traditional designations of specialty, shopping, and convenience goods were used to test for difference in the typical shopping basket of items purchased by each group. These categories are in common usage, are reasonably concise and relatively unambiguous (Holton, 1948). Also, several factors from prior research such as perceived risk (Cox, 1967), effort (Aspinwal, 1961), product involvement (Tyebjee, 1979), and the importance of the purchase (Howard and Sheth, 1969) may be summarized by the classification system.

EXPLORATORY RESEARCH QUESTIONS

The overall research question was to ascertain if there was a difference between the online shopping habits between French and U.S. online shoppers from the Millennial and Generation Z age groups. There were four exploratory research questions:

1. Was there a difference in the number of times per week that French and U.S. respondents shopped online.
2. Was there a difference in the perceived percentage of funds spent online on products purchased on a regular basis between French and U.S. shoppers
3. Was there a difference in the online purchasing frequency of specialty, shopping, and convenience goods between French and U.S. shoppers?
4. Was there a difference in the perceived percentage of products purchased online with a value of under $25 French and U.S. shoppers.

METHODOLOGY

The research utilized a convenience sample of Millennials and Generation Zs in France, and the U.S. Surveys were emailed to potential respondents in both countries. All French surveys were translated into French by a native French speaker. The surveys were sent via email to over 300 Millennials and Generation Zs as well as posted on several Facebook accounts. Using the snowball technique to increase the response rate, potential respondents were asked to forward the questionnaire to other Millennials and Generation Zs. All analysis was done using SPSS software.

EXPLORATORY FINDINGS

A total of 193 Millennials and Generation Zs responded to the questionnaire. Of the 193 respondents, 160 were from the U.S. and 33 were from France. There were 53 Millennials and 137 Generation Zs. To examine differences between Millennials and Generation Zs a t-test for independent samples was run on the entire data set. There were no significant differences observed between the responses of the two generations, the remainder of the analysis was done with a combined generational data set.

The frequency of online shopping for French and U.S. consumers

A t-test for independent samples was run comparing the frequency of online shopping between French and U.S. respondents. Response categories were per week, 1=Never, 2=Less than one time, 3=1 time, 4=2-4 times, 5=5-7 times, 6=8-10 times, and 7= More than ten times. The results show that on average French respondents shop online less often than their U.S. counterparts. The French respondents bought or browsed for products online about once a week, while in the U.S. the number was between two and four times.

Table 1

Number of Times per Week Shopped Online

Times Per Week Online Shop*	U.S.	160	4.1188	1.40248	.11088
	France	33	2.9091	1.28364	.22345

*p<.05

Perceived percentage of funds spent online on products purchased on a regular basis for French and U.S. shoppers

The overall percentage of funds spent online reported by French and U.S. consumers did result in a significant difference. Table 2 shows the mean response of each group.

Table 2

Percentage of Funds Spent Online

	N	Mean	Std. Deviation	Std. Error Mean
U.S.	160	33.8438	24.34127	1.92435
France	32	23.5625	20.45441	3.61586

*p<.05

U.S. online shoppers believe they spend a larger share of their shopping dollars online than do French consumers. While it is common for online shoppers to overstate the size of their total online shopping, the results were consistent with U.S. shoppers making more online shopping visits per week than their French counterparts.

Online purchasing frequency of specialty, shopping, and convenience goods for French and U.S. shoppers

Since it was found that U.S. online shoppers believe that they shop more often online and spend a higher percentage of their shopping dollars online, it was expected that they would also purchase specialty, shopping, and convenience goods more often. Table 3 shows the result of the analysis. Only convenience goods showed a significant difference between the shopping behaviors of the French and U.S. consumers. This finding suggests that U.S. consumers shop for more everyday items online than the French.

Table 3

Shop for Specialty, Shopping, and Convenience Goods

		N	Mean	Std. Deviation	Std. Error Mean
Specialty Goods	U.S.	161	2.0248	.84373	.06650
	France	32	1.7500	.71842	.12700
Shopping Goods	U.S.	161	3.1118	.80618	.06354
	France	32	2.8750	.97551	.17245
Convenience Goods*	U.S.	161	3.0683	.96258	.07586
	France	33	1.9091	.97991	.17058

*p<.05

Perceived percentage of products purchased online with a value of under $25 for French and U.S. shoppers

To further test the finding in question 3, respondents were asked what percentage of the online products purchased were priced under $25. It was expected that U.S. consumers would report more of these low-priced product purchases than their French counterparts. Table 4 shows the result of the analysis. As expected U.S. online shoppers reported spending more than their French counterparts on lower priced items.

Table 4

Purchases Under $25

		N	Mean	Std. Deviation	Std. Error Mean
% of Purchases Under $25*	U.S.	160	50.6688	26.82666	2.12083
	France	32	35.2500	27.64638	4.88724

p<.05

SUMMARY AND ADDITIONAL RESEARCH

These results demonstrate several significant cultural differences between the U.S. and French consumers in making online purchases. While each of these findings warrants additional study, they serve as a valuable starting point for companies considering these two markets. U.S. consumers, for example, were shown to purchase online more frequently than their French counterparts, while also spending a higher percentage of their shopping dollars online. Such findings might indicate greater online growth potential within the French market than within the U.S. market. Conversely, it might indicate underlying fundamental cultural differences that a marketer should explore before targeting these different markets.

American consumers also reported a disproportionately higher percentage of low-priced items as compared to all online purchases than did French consumers. Future research should consider theoretical reasons for such a finding. It could, for example, be indicative of different cultural or economic perceptions of risk between the countries. Additional research on each of these findings could be invaluable for international marketers.

LIMITATIONS

There were several important limitations to this exploratory study.

1. The sample was a convenience sample.
2. The sample size for the French group was small.
3. Respondents provided their perception of online visits and purchases; it was not possible to test the actual purchases.

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