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Leisure vehicle rental behaviour of Generations X and Y in South Africa

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DEDICATION

This is dedicated to you my son, Luniko Kamva Toyo. I pray that as you grow older you consider this, an achievement that you too one day will strive towards. I hope I have made you proud.

ACKNOWLEDGEMENTS

I would like to express my genuine appreciation and gratitude to:

- My heavenly Father for the blessings, grace and covering throughout this journey
- My mother, husband, son and Vee, thank you for the sacrifices you have made in supporting this dream. Thank you for your patience and understanding, I do not take it for granted. You have been my pillar of strength.
- My family and friends, you've allowed me to work towards attaining this at the expense of spending time with you and sometimes missing special celebrations and events. Thank you.
- My supervisor, Lindelwa Mthembu, with your passion, drive, patience and guidance, you have made this journey more bearable.
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ABSTRACT

Understanding consumer behaviour, and the consumer decision-making process, allows Marketing Centres of Excellence in organisations to journey through the mind of the consumer with the intention of understanding how they arrive at their purchasing decisions. This assists marketing teams to conceptualise strategies which can deliver strong brands that will connect with the targeted consumers. It also lays a strong foundation for a brand and places it in a position where it can gain a competitive advantage and achieve market leadership. Based on the Engel-Kollat-Blackwell model of the consumer decision making process, this study investigates the differences and/or similarities in the consumer decision making process, amongst South Africa's Generations X and Y, when making a decision to rent a car for leisure purposes. The aim is to contribute to the limited theoretical work available on consumer behaviour in the car rental industry and establish how car rental companies could apply the insights gained in their marketing strategies to attain or maintain leadership by offering packages that would resonate with and be relevant to the South African Generations X and Y.

A quantitative research strategy was employed, using a survey as a data collection instrument. The survey was sent to respondents via email and data was collected from 189 respondents and after certain exclusions, a total of 96 responses from Generation X and Y respondents were analysed

The study reveals that when renting a car for leisure purpose, the South African Generation X and Y do not differ significantly in *need recognition, pre-purchase search, purchase decision and post-purchase evaluation*. The study however finds that there is a significant difference in one criterion of the *process of evaluation of alternatives* amongst the two Generations under the spotlight, as consumers in Generation Y are more likely to make the final decision to rent based on what they would have experienced or what other people say about the car rental company's service, compared to consumers in Generation X.

The study confirms that consumers do recognise the need for a car when on holiday and most importantly for the car rental industry, they recognise the need for renting it. Even though the difference in the consumer decision making process between the two generations under analysis is in only one element, the study proposes various ways in which Marketing Centres

of Excellence in the car rental industry can use the insights gained to strengthen their brands and improve their market position.

KEYWORDS

Consumer behaviour, Generational Theory, Generation X, Generation Y, consumer decision making process, car rental, leisure market

INTRODUCTION

Consumer behaviour has been of interest to marketing experts since the twentieth century, with literature available as far back as the 1950s (Schiffman & Kanuk, 2007). Consumer behaviour can be understood as the patterns that consumers show as they seek, purchase, use, evaluate and dispose of goods and services that they expect will meet their needs (Schiffman & Kanuk, 2007).

The importance of this discipline in marketing strategies is to ensure that organisations build strong brands that connect with targeted consumers, gain a competitive advantage in the markets in which they compete and consequently, become the market leader (Andersone, 2012).

This study investigated the consumer behaviour, specifically the consumer decision making process, evident in South African Generations X and Y, when renting a car for leisure purposes. There are numerous scientific studies focusing on consumer behaviour and generational theory, however, none that focus specifically on the car rental industry. This study therefore aimed to contribute to an academic body of literature on consumer behaviour in the car rental industry, furthermore, it sought to establish how car rental companies could use these insights in their marketing strategies to maintain leadership and offer packages relevant to the varied generations under analysis.

A marketing strategy cannot yield positive result(s) if the task of understanding the macro and micro environment is not completed thoroughly. When one looks at the South African context, in which this study is based, there are certain macro factors that cannot be ignored. These are the Political, Economic, Social, Technological, Environmental, Legal factors (PESTEL) of the country (Johnson, Whittington, Scholes, Angwin, & Regnér, 2014).

Political

Politically, the government has facilitated favourable trading conditions, however, changes in regulations such as the travelling documentation needed when travelling with a minor into South Africa, and the enactment of e-Tolls in certain provinces, has had a negative impact on travel and tourism and has thus impacted car rentals (Department of Home Affairs, 2016; SAVRALA, 2006)

Economic

The country is dominated by low business and consumer confidence, which has been negatively impacted by the investment downgrades imposed by the various rating agencies, and high interest rates are the pain points of most consumers and these economic factors impact business operations.

Social

Inequality and unemployment are major socio-economic issues that have not been adequately addressed as low education levels and high unemployment levels are felt across the different age and gender groups (National Planning Commission, 2012).

Technological

Current advancements in technology present advantages and disadvantages for businesses and consumers. Technology and globalisation has changed the mobility space and changed the way customers seek information and make the final buying decision (World Economic Forum, 2016).

Environmental

Environmental factors, such as droughts, negatively impact leisure travel in the country, amongst other things. Seasonality and geographical spread impacts when, how and where people work, live and spend their money.

Legal

The South African legal system is deemed fair and strong however, there is a lack of consequence which then leads to noncompliance, unwillingness to abide by the law and disregard of the legislation by businesses and consumers (Auditor General South Africa, 2018).

These factors have an impact on consumption and consumer behaviour across industries, which according to the Multiplier Effect, impact on the economy's development, employment,

government spending expenditure, and so the cycle continues (Van Rensburg, McConnell, & Brue, 2015).

Taking a micro view and zooming into the car rental industry, car sales are often assessed as a strong indicator of the country's economic performance and the car rental industry makes a sizeable contribution to this segment. According to the 2018 report by the National Association of Automotive Manufacturers of South Africa (NAAMSA), the strong contribution that the car rental industry continues to make, accounting for an estimated 18.8% of new car sales during the year, is one of the major contributory factors to the improved new car and light commercial vehicle sales (NAAMSA, 2018). A more detailed look into the industry follows in the next section of this study.

It was therefore justifiable to conduct a study that investigates the car rental industry and particularly focusing on understanding the process consumers follow as they make the decision to rent or not to rent.

Therefore, the main task for this study was to investigate differences and/or similarities in the consumer decision-making process of Generation X and that of Generation Y, when renting a car for leisure in South Africa.

The research question was:

How different and/or similar is the consumer decision making process when Generation X rents a car for leisure in comparison to Generation Y, in South Africa?

Based on the consumer decision-making process, this study was directed by the following objectives:

- To determine whether and how consumers in Generation X and Generation Y who live in South Africa differ in '*need recognition*' when renting a car for leisure purposes
- To determine whether and how consumers in Generation X and Generation Y who live in South Africa differ in '*pre-purchase search'* when renting a car for leisure purposes
- To determine whether and how consumers in Generation X and Generation Y who live in South Africa differ in *'evaluation of alternatives'* when renting a car for leisure purposes

- To determine whether and how consumers in Generation X and Generation Y who live in South Africa differ in *'purchase decision'* when renting a car for leisure purposes
- To determine whether and how consumers in Generation X and Generation Y who live in South Africa differ in '*post-purchase behaviour'* when renting a car for leisure purposes

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

The literature and various research that was consulted is reviewed in this section in terms of how it applied to this study. Based on both the identified themes in the literature review segment and the objectives of this study, it was proposed that this section be structured as follows; South African car rental industry, fourth industrial revolution and car rental, generational theory and consumer behaviour.

The South African car rental industry:

The automotive industry, part of which car rental is a vital segment, represents the third biggest sector in the economy of South Africa (NAAMSA, 2018). This sector contributes approximately 7.5% to South Africa's gross domestic product (NAAMSA, 2018). Car rental indirectly forms a part of this industry through the purchase of vehicles, contributing to vehicle sales of the country, which as stated in the section above, forms a key economic performance indicator. There is an interesting positive correlation between economic performance, new car sales performance and car rental industry performance; when the economy grows, new car sales reflects a positive growth and so does car rental (ResearchAndMarkets, 2018).

In the latest 2018 NAAMSA figures, reporting a growth of 4.3% in new car sales compared to the previous year, the car rental industry contributed 18.8%, making it the third biggest purchaser of new cars (NAAMSA, 2018).

The 2017 car rental industry performance is summarised in Table 1:

TABLE 1 Car rental industry statistics

Total Revenue Growth	Value of rentals	Leisure rental growth		Location
3.6%	R5.2 billion	16.7% International renters	1.6% Local renters	50% in CT

In 2017, this industry grew in rentals by 3.6%, equating to R5.2 billion in value (ResearchAndMarkets, 2018; Smith, 2018). Of the rentals that take place annually, 55% is made up of leisure rentals, which is a significant contribution and thus making leisure rentals the star of the industry (Smith, 2018). The growth in leisure rentals can be attributed to international and local renters opting to self-drive when they get to their holiday destinations, in 2017 international renters delivered a growth of 16.7% and local renters 1.6% (Smith, 2018). Regionally, the Western Cape, particularly Cape Town, takes the lead.

Porter's Five Forces can be used to analyse the South African car rental industry by looking at the strength of competitor rivalry, power of the buyers, power of the supplier, threat of substitutes and the threat of new entrants (Johnson et al., 2014). The model and how it can be applied to the South African car rental industry is discussed below:

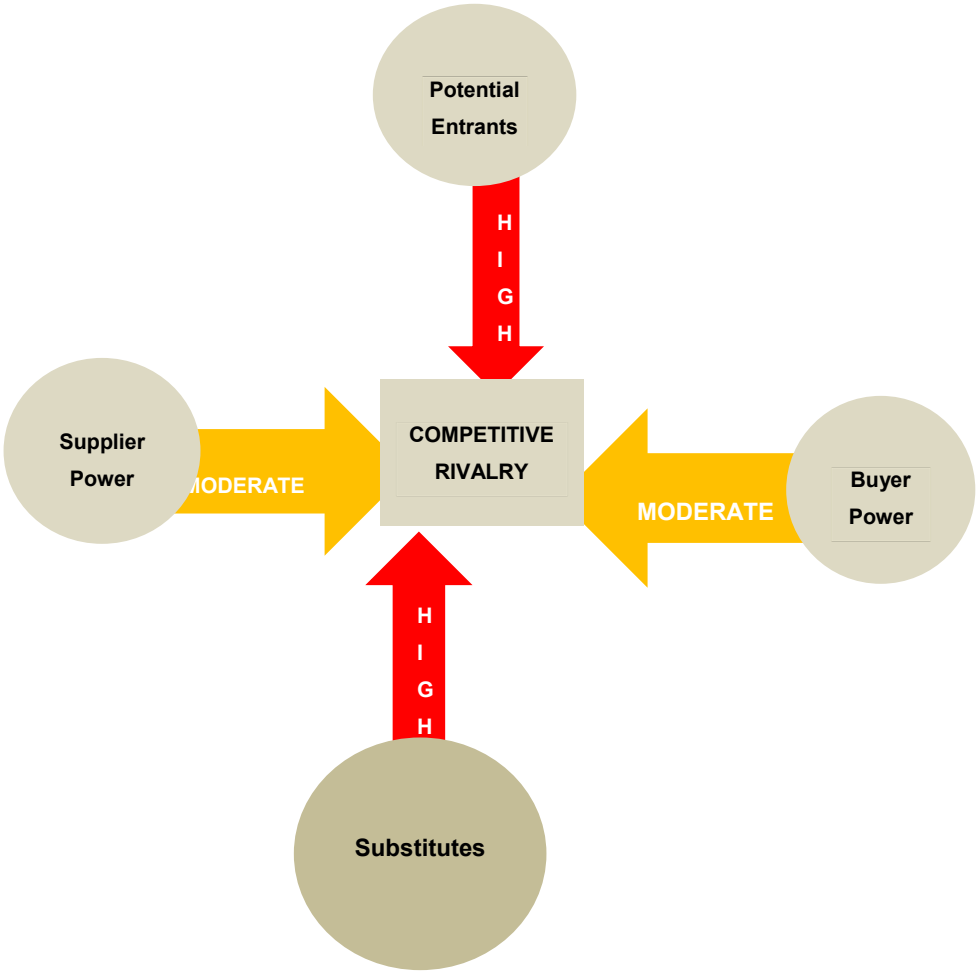


FIGURE 1 Porter's Five Forces (Johnson et al., 2014)

Rivalry among existing competitors:

In terms of competitor rivalry, the key players report their statistics to SAVRALA, the governing association and according to current statistics, there are two main players that dominate the market, namely Avis and Europcar, offering similar services and quality and accounting for over 50% of the car rental market (L. Smith, personal communication, March 20, 2018). Avis Rent a Car is the biggest market share holder in the local industry, accounting for 48% of total car rental market (L. Smith, personal communication, March 20, 2018). In operation for almost 50 years, the brand has been voted South Africa's Top Brand in the Business category for 12 consecutive years (TNS, 2017). This is an annual national survey conducted by the TNS research house and the final winner is judged by South African consumers on three categories: brand awareness, brand experience and brand size.

Threat of new entrants:

Looking at the 'Threat of new entrants', there are moderately low barriers to entry in this industry. New entrants do not require massive capital investment to start operating. The ease of starting the business without a big capital outlay allows start-ups to operate from their homes or any other informal structure. Globalisation has also facilitated the ease of entry for international car rental companies to come and compete in the South African car rental space. This presents challenges for the incumbents in this industry. Worth noting though is the fact that the incumbents have been operating in this space for many years, therefore the experience and strength of their brands might make it challenging for the new entrants to easily steal market share (Johnson et al., 2014).

Threat of substitutes:

There is a high threat of substitutes in the car rental industry. Customers can choose from various number of substitutes that exist and these include Uber, Taxify, Gautrain, Rent My Ride, borrowing a car from a friend / relative that is hosting you on your holiday. These substitutes present a different way of doing business, which differs slightly from the traditional car rental business model (Johnson et al., 2014).

Bargaining power of buyers:

In car rental, and for the purposes of leisure rental, the buyers are the consumers and they have moderately low power. This means that they have limited power to drive prices compared to corporate renters that bind car rental companies to prices through contracts (Johnson et al., 2014). Even though they are influential in driving prices to a certain extent, they are mostly receivers of a set price driven by the players in the industry. Rate per day (term used to represent price in the industry) is driven by the competitor landscape and is highly season dependent (Johnson et al., 2014).

Bargaining power of suppliers:

The major suppliers in this industry include car manufacturers, fuel suppliers, drivers, technology products and travel agents.

There are numerous car manufacturers in South Africa, even though there are a few key manufacturers that are perceived to deliver quality and reliability. This leads to a moderately high power (Johnson et al., 2014).

The exchange rate has a high impact on the majority of the suppliers; it directly impacts on the fuel prices, prices of vehicles and the fees that the car rental companies pay to travel agents (ResearchAndMarkets, 2018). Once the exchange rate goes up, all these costs go up as well.

Car rental companies rely on travel agents to sell their service as part of their holiday / travel packages. This gives them a moderately high power.

Understanding the industry and its challenges presents an opportunity to understand the drivers of change in that industry and once car rental companies recognise the need for change and embrace it to improve their business models, they can compete from a position of strength and gain leadership. One of the key drivers of change in the industry is discussed next.

Fourth industrial revolution and car rental

"In its scale, scope and complexity, what I consider to be the fourth industrial revolution is unlike anything humankind has experienced before" (Schwab, 2016, p. 7) The fourth industrial revolution has been described as the revolution that will display the most technology disruption, where we will see the most integration and embedding between technology, machines, environment and human beings (Schwab, 2016; World Economic Forum, 2016). This change brings with it the most progressive artificial intelligence, robotics, crypto-currency, biotechnology and developments in genetics and these will have an impact on jobs, human health, farming, banking, communication, transportation and teaching, to name a few. As argued by Schwab (2016), it will also bring about an enormous impact on the GDP, investment, consumption, employment, trade and inflation.

As many academics and business leaders have stated, the impact of the fourth industrial revolution will be industry dependent. The speed at which it will be implemented and the way it will change business model design, will depend on the industry and period or duration (short or long term) (Schwab, 2016; World Economic Forum, 2016). Therefore, one cannot take a blanket approach when looking at the impact and what it will mean.

Taking that view, we can turn to the Car Rental Industry as an example to further understand the drivers of change and the predicted impact of this revolution. From the World Economic Forum (2016) report that shares results from a study conducted across a sample representing numerous regions across the globe and across industries, we can see the most impactful drivers of change most applicable to the car rental industry. These include*: (1)* crowdsourcing and the sharing economy (Uber and Taxify), *(2)* consumer concerns about ethical and privacy issues (concerns about sharing their I.D. numbers and credit card details), *(3)* advanced robotic and autonomous transport (autonomous and electric cars such as the BMW i3 and i8) and *(4)* artificial intelligence and machine learning (quick rental service facilities at branches where keys are collected from machines instead of someone at the counter) (World Economic Forum, 2016).

What this means for the car rental industry is that they need to be intimately aware of what technology is out there, what is coming and importantly, what opportunities and risks the fourth industrial revolution will present so that they can take advantage and mitigate accordingly

(Tarlton, 2017). Companies need to offer solutions to customers which involve digitisation and are in line with other trends that are changing business processes. As customers continue challenging service providers to deliver better quality and efficiency, organisations can use technology to bring to life the concept of better, quicker, faster and cheaper, allowing for easier transaction processes. In the car rental industry specifically, previously customers would call the call centre when they wanted to book a car and today, almost 30% of all vehicle rental bookings are done over the internet using websites or applications (Tarlton, 2017) .

Businesses must change rapidly and adapt their business models to remain relevant and keep up with changes brought about by the 4th industrial revolution. Car rental companies must continuously review their strategies to ensure that they actively participate in this new economy. This requires them to gain a deeper understanding and insight into how consumers make their buying decisions to understand how they can leverage this so that they can offer solutions that will keep them top of mind amongst consumers, translating to more rentals and greater market share. Hence, an in-depth look at the link between generational theory and consumer behaviour is key in devising relevant strategic marketing interventions.

Overview of generational theory

There is a strong belief that consumers who belong to the same generation cohort behave in a similar manner (Duh & Struwig, 2015; Leask, Fyall, & Barron, 2014), It is argued that the reason for the similarities is the fact that their behaviour is influenced by the same events as they grow up (Duh & Struwig, 2015). Each of the existing generations have their own characteristics, values and attitudes, depending on events that shaped their lives (Schewe & Meredith, 2006). However, some literature has criticised generational theory as overemphasizing the traits that are similar or distinct between generational cohorts across the globe, due to political, social and cultural influences (Gardiner, Grace, & King, 2013; Leask et al., 2014). Andersone (2012) argued that different countries go through different political, economic and social events. Duh and Struwig (2015) support this notion by highlighting the different defining historical events that the U.S.A. and S.A went through that led to the development of generational cohorts; the Great Depression and Apartheid, and they argue that these have led to a different mind-set and value system in the generations affected. Having explained what generational theory is, it is important to understand the different generations

that are known to exist. Reference will be drawn from different categorisations across the globe from countries such as America, Latvia and South Africa, as that was the focus of this study.

According to Duh and Struwig (2015), the American seven generation cohorts are broken down and described in Table 2. Each generation cohort is named according to the period in which they 'came of age':

TABLE 2 American generation cohorts (Duh & Struwig, 2015)

Cohort Profile	Cohort Description
Depression Cohort (1912 – 1921)	• Grew up in a period of economic challenges and high unemployment • Financial security is important to them and spend money with caution
Second World War (1922 – 1927)	• Stood in unity in the fight against the oppressor • Patriotic and value 'togetherness'
Post – war cohort (1928 – 1945)	• Upbringing dominated by improved economic conditions and peace • Influenced the development of 'the middle class' and prioritised financial security and stability
Leading-edge Baby Boomer cohort (1945 – 1954)	• Exposed to the historical 'first man walking on the moon' • Stood for civil rights and feminist movements
Trailing-edge Baby Boom cohort (1955-1965)	• Witnessed historical events such as U.S. defeat in Vietnam, Watergate Nixon's resignation, oil embargo • Pessimistic about economic growth
Generation X cohort (1965-1976)	• Upbringing dominated by high levels of divorce • Puts individual needs first, values freedom and flexibility
N Generation / Generation Y (1977-1994)	• Growing up in the internet era • Idealistic and social- cause oriented • Pragmatic and elusive consumer segment • Resistant to marketing efforts

In his study, Andersone (2012) identifies the generation cohorts in Latvia and describes them as per Table 3:

TABLE 3 Latvian generation cohorts (Andersone, 2012)

Cohort Profile	**Cohort Description**
Survivors (1937-1956)	• Appreciate the good and natural • Characterised by responsibility and strict principles, love for family and honesty
Collectivists (1957-1966)	• Born and raised in environment where freedom and capitalism are a distant memory • Characterised by fear and insecurity • Collective power is superior over personal initiative • Grew up in stability therefore afraid of change
Bohemians (1967-1976)	• Free and social generation • Its outlook on life is positive and optimistic • Pragmatic and balanced
Children of changes (1977-1986)	• Characterised by pickiness, cynicism • Eger to change jobs, place of residence • Childhood and youth characterised by demonstrations and rallies • Curious and optimistic
Digital Children (1987-1994)	• Wish to stand out, more sociable, impatient and eager to compete • Characterised by enthusiasm but also lack self-control • Acquainted with the computer from childhood • Take commercial TV for granted

In South Africa and through the study of Duh and Struwig (2015), the defining events in Table 4, can be classified as those that qualify for the formation of generational cohorts

TABLE 4 South African events that qualify for generation cohort formation (Duh & Struwig, 2015)

Event	**Date**
Formation of the African National Congress (ANC)	1912
Announcement of the Land Act	1913
First World War	1914 - 1919
Second World War	1941 - 1945
The Afrikaners National Party becomes independent	1948
Rise of Apartheid	1950
Introduction of pass laws and banning of the ANC	1960
Announcement of Gauteng being a republic	1961
Nelson Mandela being sentenced to life in prison	1964
Soweto uprising	1976
End to the apartheid system	1990
First free and multi-racial elections	1994

From the above, indeed, countries do experience their own unique defining events, which playing a vital role in influencing and forming the behavioural patterns of consumers. This study seeks to determine the extent of the generational influence on the consumer decision-making of South Africans when renting a car.

Academics have different views about the exact birth years that are used to segment generations in South Africa. The South African Generational Lifestyle Report classifies Generation X as people born between 1965 – 1977 and Generation Y between 1978 – 1995 (Effective Measure, 2017). Codrington (2010) identifies Generation X as the people born between 1970-1990 and Generation Y between 1990 - 2007. On the other hand, Duh and Struwig (2015) classify Generation X as those born between 1965 – 1976 and Generation Y born between 1977 – 1994. For the purposes of this study, we use Duh and Struwig's categorisation as they took time to assess the historical events South Africa went through that led to the development of generational cohorts and then argued that these have led to a different mind-set and value system in the generations affected. Thus, it is necessary to look at the exact characteristics, other than age, that define Generation X and Y.

Discussing characteristics of South African Generation X

"The generation that fought in the anti-apartheid struggle and subsequently had difficulty finding place in South African society" (Duh & Struwig, 2015, p. 93). This segment of consumers is known for not conforming and being marginalised by the oppressive regime of apartheid. They are characterised and remembered for having an 'emancipation' agenda and unequivocal stance against the oppressive regime during that defining event or period of their lives (Mosupyoe, 2014). These are characteristics, as discussed in the generational theory section above, that they carry right through their lives.

Generation X values family first, they consider hard work necessary, they are materialistic, sceptical and impatient (Arsenault, 2004; Mosupyoe, 2014). To this generation, clear and useful information is important. This addresses the way they want to receive communication. The challenges and circumstances they experienced and lived through, and those inherited from the previous generation, Baby Boomers, shaped them into determined, involved and responsible individuals who are in control.

Given the above and drawing from other literature that was consulted, Figure 2 provides a summary about this Generation, the name ‘The Warriors’ has been given to represent this segment of Generation X:

<table>
<tr><th colspan="2">THE WARRIORS</th></tr>
<tr><td>

Meet Mpho.

Mpho is a forty-five-year-old engineer who lives in Rosebank, Johannesburg. She is married to John, and they have two children, aged 7 and 10 whom she adores.

Mpho is highly educated with multiple university degrees and has done well to build up her career and her wealth portfolio.

They bought their current house and she drives an Audi A4 which she feels defines her.

Due to the high stress nature of her job, Mpho takes a holiday at least twice a year, along with a long weekend getaway at least once a year too. These are a huge highlight for her, as she takes well-deserved breaks to distress and spend time with her family.</td><td>MEDIA HABITS:

• 94% smartphone access
• Read books regularly (36%)
• 54% use a computer at work and 68% use a computer at home
• Seek information from trusted media sources, credibility is important</td></tr>
<tr><td>SEGMENT DESCRIPTOR:

• HHI of R30-R60k+
• Age of 35-50+
• Travel once or twice per year for leisure or business</td><td>DIGITAL LIFESTYLE:

• Mobile phone is functional
• Low-involvement so they seek simplicity
• The digital experience must achieve what they want, even things they didn’t know they wanted
• They are time-starved
• It is easy to use modern appliances and technology</td></tr>
<tr><td>TRAVEL INSIGHTS:

• 21% travelled outside the country in the last year
• When travelling for pleasure, travels to the WC (20%) or KZN (20%)
• 39% go to the beach and 30% visit a game reserve annually</td><td>MOTORING INSIGHTS:

• Bought a new car (68%)
• Indexes highly against ownership of luxury vehicles – Landrover, Jaguar, Lexus
• Hire a car for business and leisure trips</td></tr>
</table>

FIGURE 2 Generation X characteristics (Duh & Struwig, 2015; Mosupye, 2014; Arsenault, 2004)

Discussing characteristics of South African Generation Y

As the first generation born post-apartheid, Generation Y is exposed to better education, increased chances of gaining employment and generating wealth, despite the fact that there might still be traces of political, economic and social impacts of apartheid (Duh & Struwig, 2015). This generation has more access to public recreational facilities, improved education, access to go and socialise in other parts of the globe and because they are growing up in the internet and technology era, they constantly use the internet to search for trends and their cell phones to transact with each other and businesses (Duh & Struwig, 2015).

The Cape Town Institute of Strategic Marketing introduced the term 'Black Diamonds' in South Africa, referring to the black emerging and elite middle class (Duh & Struwig, 2015). Constituting 64% of the South African middle class, these individuals cannot be ignored due to their spending power and the impact they have had on the economy as a whole (Duh & Struwig, 2015). They own their own means of transportation, are interested in travelling and exploring different places, they have tertiary level qualification, they have recognised professions and many of them own property (UCT Unilever Institute of Strategic Marketing, 2011). Contrarily to the generations that precede them, this group of individuals have a high self-esteem, is positive about their future, is hungry for success, acquire brands to express their success, strive for financial freedom, express success through spending on themselves and on their families (Duh & Struwig, 2015). Due to the magnitude and potential of this segment, brands need to ensure they understand them well and seek insights into their consumer decision making process, which is what this study aims to do.

Given the above and from other literature that was consulted, Figure 3 summarises gained insights about this Generation. The name 'The Bound Adventurer' has been given to represent this segment of Generation Y:

THE BOUND ADVENTURER



Meet Nomsa

Nomsa is a 24 year old graduate working
in her first job as a marketing assistant.

She recently moved into her first apartment and is enjoying the time she gets to spend alone and with her friends.

Nomsa is highly attached to her smartphone, in her spare time you'll find her Snapchatting with her friends.

MEDIA HABITS:

- Digital natives
- Highly media savvy, prefer non-mainstream news
- I'm always attached to my phone, it is my lifeline
- Airtime is not as important as access to data. The internet is oxygen to me

SEGMENT DESCRIPTOR:

- Aged 25-34
- HHI of R20-R60k
- Have travelled 1x internationally and 2 x locally, in the last 12 months
- Age 18-24
- 62% will extend their business trip to see the world, given the opportunity

DIGITAL LIFESTYLE:

- My phone is my public accessory
  and my channel for life-casting
- Sharing information gives me status
- I am my own personal brand, and I express myself online
- I'm all about individuality and seek customisation
- Tech-savvy and seek a brand experience that has removed all pain points

TRAVEL INSIGHTS:

- 72 percent of Millennials choosing to spend more money on experiences than material items
- Define luxury travel as "Instagram-able experiences.'
- 83% have never travelled outside S.A.
- 23% travelled by air inside S.A. one to 3+ years ago

MOTORING INSIGHTS:

- Seek fuel economy and Green credentials
- Have an average vehicle loan debt of R162k with the bank
- Toyota, VW, BMW and Ford drivers
- 25% are still using public transport weekly

FIGURE 3 Generation Y characteristics (Duh & Struwig, 2015; (Schenk & Seekings, 2012); Effective Measure 2017)

Overview of consumer behaviour

Consumer behaviour answers the questions; "what consumers buy, why they buy it, when they buy it, where they buy it, how often they buy it, how often they use it, how they evaluate it, the impact of that evaluation on future purchases and how they dispose of it" (Schiffman & Kanuk, 2007).

When organisations and brands have a good understanding of their customer, the external, personal and group influences and how their decisions are made, they (the organisations) can then influence these decisions and predict buying behaviour.

Literature points out that the challenge with the above view is the fact that humans are complex and often they themselves are not aware of why they behave the way they do and cannot always predict their own behaviour (Sasmita & Suki, 2015; Stávková, Stejskal, & Toufarová, 2008). "The fundamental presumptions for consumer behaviour research is the fact that consumers often buy products or services not because of their main functionality but for their very subjectively perceived value" (Stávková, Stejskal, & Toufarová 2008, p. 276). This complexity highlights the importance for brands to take the time to understand consumer behaviour and the factors that influence this behaviour in order to master and develop strategies that will allow them to influence customer decisions.

Factors that influence consumer behaviour

Literature differentiates between the 'consumer as an individual' and the 'consumer in their social and cultural settings' (Kotler & Armstrong, 2010; Schiffman & Kanuk, 2007; Stávková, Stejskal, & Toufarová, 2008; Prendergast & Lan, 2013). For purposes of this research, we will borrow from Kotler and Armstrong (2010) and distinguish four basic categories; cultural, social, personal and psychological. The individual perspective (personal and psychological) provides a picture of consumer psychology and explains psychological factors that account for individual behaviour and demonstrates how these factors influence behaviour by the consumer (Bauer, Sauer, & Becker, 2006; Kotler, 1972; Schiffman & Kanuk, 2007).

As demostrated in Figure 4, these factors include consumer motivation, personality, perception, learning, attitudes and communication (Kotler, 1972; Shukla & Babin, 2013; Stávková, Stejskal, & Toufarová, 2008; Pepper, Jackson, & Uzzell, 2009).

The problem with this fragmented view , particulalrly in the South African context, is that inequalities still exist and often individual psychological factors are prejudicially determined and overriden by macroeconomic factors (Parker, 2016). In South Africa, social mobility dynamics and macroeconomic fundamentals impact directly on consumption (Parker, 2016). Thus, it is not enough to only look at the 'consumer as an individual'. For this research, consumer behaviour will be analysed looking at the individual, but focusing largely on the 'consumer in their social and cultural settings', particularly the generational cohort to which they belong.

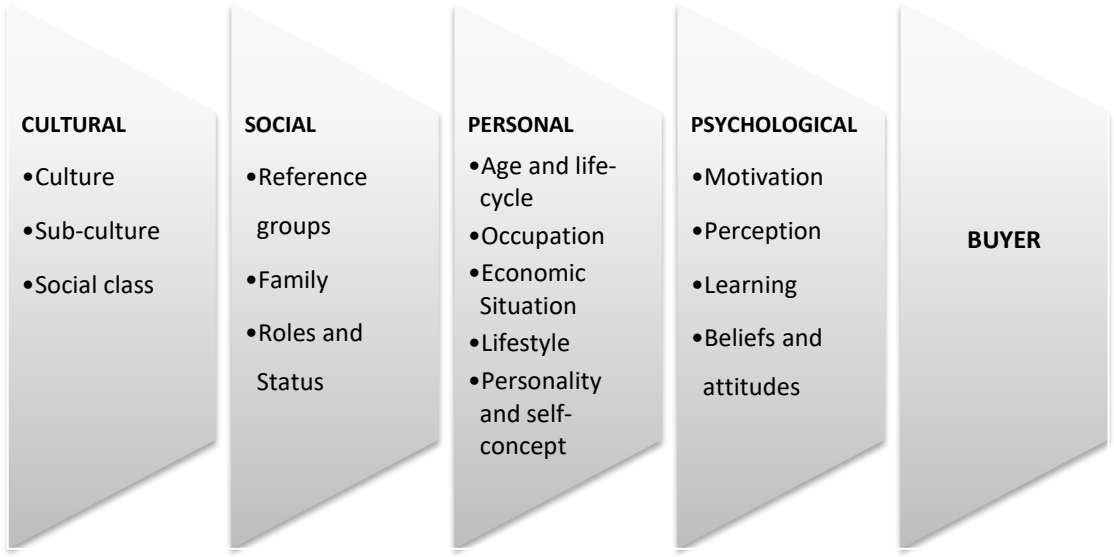


FIGURE 4 The Kotler Model of Buyer Behaviour (Kotler, 1972; Schiffman & Kanuk, 2007)

The second perspective, 'consumer in their social and cultural settings', provides an explanation of consumer behaviour through social and cultural dynamics and looks at how these affect the attitudes and behaviour of the individual (Parker, 2016; Shukla & Babin, 2013; Stávková, Stejskal, & Toufarová, 2008). As demostrated in Figure 4, these factors include reference groups, social class and culture (Shukla & Babin, 2013; Stávková, Stejskal, & Toufarová, 2008; Pepper, Jackson, & Uzzell, 2009). Literature suggests that 'belonging to' plays an influential role in decision making and that individuals who belong to the same social or cultural group are likely to behave in a similar way and make similar decisions in terms of buying behaviour.

In a study conducted by Prendergast and Lan (2013), with the aim of understanding consumer behaviour differences between males and females, the findings suggest that women treat shopping as entertainment and men as a need, historically based on the evolotionary psychology concept that women are 'gatherers' whilst men are 'hunters'. In another study by Pepper, Jackson and Uzzell (2009) the idea of social and group dynamics is further emphasised. The study reveals that consumers belonging to the 'ecologically conscious' and 'socially conscious' groups have the same values and are motivated by similar factors, thus the choice of the products they buy is heavily influenced by their common beliefs which consider how and what they consume (Pepper, Jackson, & Uzzell, 2009). To build onto existing research on social and cultural groups, this research goes into detail about the influence that generational cohorts have on car rental behaviour in South Africa.

Organisations cannot control these factors, but it is important that they are aware of the effects they have. This drives home the point that consumers do not make buying decisions in isolation, different factors influence their consumer behaviour and understanding this, gives brands the ability to position their offering in a relevant way that positively impacts on the consumer decision process. Drawing from the discussion above, it is therefore important to understand the consumer decision-making process.

Consumer decision-making process

Customers are constantly making decisions regarding the purchase of goods and services. Some of the decisions are minor whilst some are more complicated and perceived risky. This research focuses on the decision on car rental, a complex process as it requires high involvement, has an element of risk and is emotionally charged (Bauer et al., 2006; Koklic & Irena, 2011; Stávková et al., 2008).

In attempting to understand the consumer decision-making "road map", existing literature on consumption of durable products proposes that various consumer decision-making models can be used, that mainly employ a phased decision rule that leads to the final choice (Koklic & Vida, 2011; Schiffman & Kanuk, 2007; Erasmus, Boshoff, & Rousseau, 2001).

Models were consulted from these four different views: economic, passive, cognitive and emotional. Due to the nature of this study, the cognitive and emotional view models were found

to be more suitable as numerous academics have criticised the other two as unrealistic as one requires the consumer to make perfect decisions (economic view) and the other suggests that consumers are passive and submissive to brands (passive view) (Schiffman & Kanuk, 2007; Koklic & Vida, 2011; Pepper, Jackson, & Uzzell, 2009; Koklic & Vida, 2011; Erasmus, Boshoff, & Rousseau, 2001). Given the focus of this research on consumer behaviour of a very specific product and target market, i.e. car rental and Generation X and Y, the model that is theoretically suitable is discussed next.

This study is based mainly on the consumer decision making process model of consumer behaviour, also known as the Engel-Kollat-Blackwell Model (Kollat, Blackwell, & Engel, 1972) . The slightly adapted model states that the process of consumer decision-making can be viewed as three different but related components: input, process and output (Schiffman & Kanuk, 2007; Kotler & Armstrong, 2010; Erasmus, Boshoff, & Rousseau, 2001).

The advantage of this model is that it reflects the cognitive consumer and to some extent, the emotional consumer. It ties together the ideas on consumer decision making and consumer behaviour discussed in the sections above. However, it is to be noted that this model applied a generelistic view , not taking into account the specifics of car rental nor the context pertaining to purchasing (Erasmus et al., 2001; (Kollat, Blackwell, & Engel, 1972).

The components are displayed in Figure 5 and discussed in detail following that.

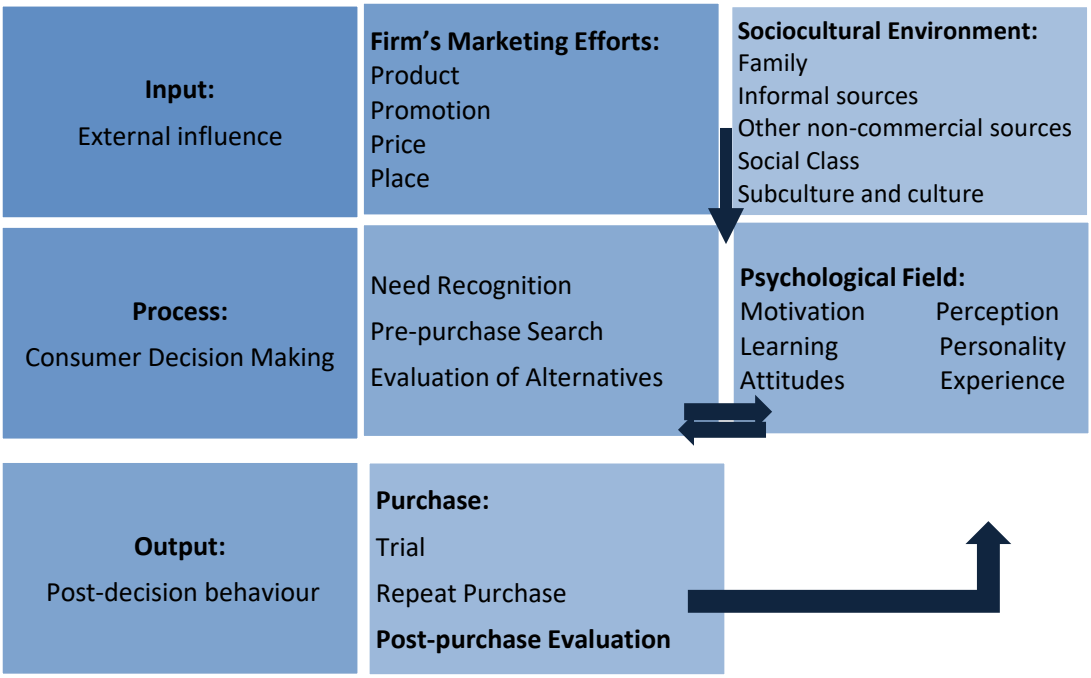


FIGURE 5 Model of Consumer Decision Making (Erasmus et al., 2001)

Input

The input component has a major influence on the consumer's need recognition and it is made up of the organisation's marketing efforts (the marketing mix; product, price, promotion, and place) and the external sociological influences (family, informal sources, social class, culture) (Schiffman & Kanuk, 2007). The impact of the organisation's marketing efforts and the external influences affect what consumers choose to purchase and how they consume what they purchase (Sasmita & Suki, 2015; Schiffman & Kanuk, 2007; Shukla & Babin,2013; Stávková, Stejskal, & Z., 2008; Kotler & Armstrong, 2010).

Process

The process component of the model looks at the act of making consumer decisions and consists of three activities: *need recognition, pre-purchase search and evaluation of alternatives* (Schiffman & Kanuk, 2000; Erasmus, Boshoff, & Rousseau, 2001). The individual's psychological factors determine how the company's input factors influence how they 'recognise a need, pre-purchase search for information, and evaluate available alternatives' (Schiffman & Kanuk, 2007; Kotler & Armstrong, 2010).

Need recognition, takes place when consumers realise the current product or service does they use doe not satisfy their need (Schiffman & Kanuk, 2007). This normally results from the development of new desires, exposure to new information, seeking variety or a change in the availability of financial resources (Schiffman & Kanuk, 2007). When the cognitive consumer recognises what their needs are, they start acting with the goal to meet these needs by seeking information that will inform their decisions. Hence the formulation of hypothesis :

H1: Consumers in Generation X and Generation Y who live in South Africa differ in 'need recognition' when renting a car for leisure purposes

Once the need is recognised, consumers search for information to satisfy that need, known as *pre-purchase search* . This is done using various sources, such as memory, consuting friends and family, adverts, the internet and other available sources of information (Robertson, McQuilken, & Kandampully, 2012; Schiffman & Kanuk, 2007). Once consumers have searched for product information , they go through the next stage comprised of a process of evaluating available alternatives, to ensure that they make the right decision. Therefore the following hypothesis was developed:

H2: Consumers in Generation X and Generation Y who live in South Africa differ in 'pre-purchase search' when renting a car for leisure purposes

A consumer uses their recollection of events or experiences and information obtained from various other sources to formulate standards to use to preform an *evaluation of alternatives*. This process takes place in the mind of the consumer and their evaluation is based on factors such as price, quality and performance of the product or service (Robertson et al., 2012; Schiffman & Kanuk, 2007). After consumers have gone through the process of evaluation of

alternatives, they make the decision to purchase or not to purchase. This leads us to the next component of this model, output. Hence the formulation of the below hypothesis:

H3: Consumers in Generation X and Generation Y who live in South Africa differ in 'evaluation of alternatives' when renting a car for leisure purposes

Output

The last stage of the model consists of two activities; *purchase decision* and *post-purchase evaluation* (Schiffman & Kanuk, 2007). After evaluating and ranking brands and products, the consumer makes a *purchase decision*. There are several factors that can influence and intervene in the purchase decision of a product or service and these could include a discounted price from a competing brand, long queues or negative attitudes of others (Kotler & Armstrong, 2010; Robertson et al., 2012). Depending on the outcome (satisfaction or dissatisfaction) and whether the purchase was a trial or repeat purchase, the consumer might adopt the product or move to a competitor brand, known as *post-purchase evaluation* behaviour (Schiffman & Kanuk, 2007; Kotler & Armstrong, 2010). Therefore the following hypotheses were developd:

H4: Consumers in Generation X and Generation Y who live in South Africa differ in 'purchase decision' when renting a car for leisure purposes

H5: Consumers in Generation X and Generation Y who live in South Africa differ in 'post-purchase behaviour' when renting a car for leisure purposes

This study aimed to assess whether there were differences in how consumers went through the decision making process when renting a car for leisure and two different generations i.e. Generation X and Generation Y were the subject of analysis. Thus generational theory is considered in the next section.

Considering the importance of understanding consumer behaviour in the car rental industry and the size of Generation X and Generation Y, there is not enough research conducted to understand the impact generational theory has on the consumer decision-making process when renting a car. Current studies assess in detail the theory of consumer behaviour and that of generations and look at the influences of culture on consumer behaviour. Therefore, this study aimed to further expound on the impact of generational theory, specifically on consumer

decision making in car rental. The following section looks at the methodological approach adopted in conducting this study.

METHOD

"A well-designed research plan forms the basis of the entire research process" (Cooper, Schindler, & Sun, 2006, p. 6). The research methodology that was employed in conducting this study is discussed next. A detailed account of the research strategy that was used to ensure the objectives were met and the research questions answered, is provided.

Research design

In previous sections of this paper, it was emphasised that external factors influence and shape perceptions and views of society and thus the consumption behaviour of certain generations. Therefore, it was important to ensure that the most suitable strategy of inquiry was pursued.

Given that the main objective of this study, a quantitative research strategy was employed. The quantitative approach is employed when one begins with hypotheses and tests for confirmation or disapproval of those (Newman & Benz, 1998). This method is used to test the strength in relationship in the variables under study, where that difference is representated in numbers (Zikmund, 2003).

Based on the existing literature, theory and objectives of this study discussed in previous sections, this method was deemed to be the most suitable. The survey as the methodological approach used, is discussed next.

Methodological approach

The survey was chosen as the methodological approach for this study. A survey allows researchers to study a sample so that they can conclude the characteristics of a population and generalise research from a sample to a larger population. (Peter & Donnelly, 2015). The rationale for this decision was based on previous studies on consumer behaviour and generational theory that also adopted the survey research methodology (Arsenault, 2004; Bakewell & Mitchell, 2003; Gardiner et al., 2013; Giovannini, Xu, & Thomas, 2015; Harmon, Webste, & Weyenberg, 1999; Soares, Zhang, Proença, & Kandampully, 2017). Furthermore, the advantages and disadvantages of survey research are summarised in Table 5:

TABLE 5 Advantages & Disadvantages of surveys (Blaxter, Hughes, & Tight, 2006; Peter & Donnelly, 2015)

Advantages	Disadvantages
Allow for representation and generalised results	The researcher is not able to check the understanding of the respondent to the questions
Easy to administer and no field work required	The survey lacks depth in terms of validity
Can be duplicated in future research to compare findings	Possibility of measuring incorrect variables when the survey is not carefully designed
Cost effective and quick executed	Responses must be checked for duplication and bogus responses
Can be answered at convenience of respondent	Respondent self-selection bias

Target Population

This study's target population consisted of consumers in Generation X and Y who live in South Africa and rented a car in the last twelve months from the date of completing the survey and having rented the car for leisure purposes. It was important that these respondents had rented in the last twelve months so that their thoughts, emotions and considerations, whist completing the process, could still be recalled. Although demographic questions were asked, the selection was not gender nor race specific but rather focused on the age of the respondents.

Prior to sending the survey out, the author compiled a database of people who met the above criteria, using personal networks, MBA class cohort, work colleagues and social networking portals. A sample of the survey was sent out to selected people to test comprehension and ease of completion and based on that feedback, the data collection instrument was revised.

Sampling method

Based on existing studies of a similar nature and objectives of this particular study, quota sampling was used (Arsenault, 2004; Bakewell & Mitchell, 2003; Gardiner et al., 2013; Giovannini et al., 2015; Harmon et al., 1999; Soares et al., 2017). Prior to conducting this study, there was no sample frame available consisting of customers from Generation X and Y, who have rented a car for leisure and lived in South Africa, therefore a non-probability sampling technique was used (Blaxter et al., 2006). "Quota sampling is a non-probability sampling technique where quotas, based on demographic or classification factors selected by the researcher, are established for population sub-groups" (Mosupyoe, 2014). The advantages of this method is that it allows the researcher to select respondents who meet the pre-defined demographic characteristics and usage patterns (Mosupyoe, 2014).

Sample size

One should be able to generalise the results obtained from the statistical analysis, to the population that was being studied (Blaxter, 2006). Given that the study aimed to determine differences and/or similarities in the consumer decision making process when renting a car between two generations, data was collected from a total of 189 respondents. Of the 189, the following exclusions were made, 17 respondents who did not complete the interview, 1 who did not accept the informed consent, 5 were neither Generation X nor Generation Y and another 70 who had not hired cars in the last 12 months. Thus, a total of 96 responses were analysed, comprised of 84% Generation Y and 16% Generation X.

Data collection instrument and the process

A self-completion online survey was used as a data collection tool. The rationale for this decision is based on other previous studies on consumer behaviour and generational theory that also adopted the survey research methodology (Arsenault, 2004; Bakewell & Mitchell, 2003; Gardiner et al., 2013; Giovannini, Xu, & Thomas, 2015; Harmon, Webste, & Weyenberg, 1999; Reisenwitz & Fowler, 2011; Soares, Zhang, Proença, & Kandampully, 2017). The advantages and disadvantages of online surveys were discussed in Table 1. The data collection instrument that was used in the study is included in *Annexure B*, including the covering letter to the respondents motivating them to participate, *Annexure A*. The questions were designed in

a manner that tested differences and/or similarities between the two generations, based on the consumer decision making model used in this study. A 'screener question' was included in the beginning of the survey to ensure that the respondents completing the survey were indeed part of the targeted sample. Measures were taken to ensure the study objectives were matched to the questions asked in the survey, to ensure each question addressed the objectives.

The self-administered online survey was designed using software called Qualtrics, a well-established online research platform and uploaded on https://wits.eu.qualtrics.com (Qualtrics, 2018). An email with the survey link was then sent out to the database, inviting people to participate in the study. The convenience of an online email survey was beneficial to both researcher and respondents as it could be completed at the most convenient time for the respondent, saved money for the researcher and guaranteed anonymity to respondents.

Statistical data analysis

Descriptive statistics was used to analyse the data (Bell, 2005). Cross tabulations were used to profile the demographics of the respondents, looking at age, gender and race. To analyse the responses to the questions, the constructs investigated were measured using a 5-point Likert scale where 1 = Strongly Disagree, 2 = Somewhat Disagree, 3= Neither Disagree or Agree, 4= Somewhat Agree, and 5= Strongly Agree.

Validity and Reliability

Validity is concerned with whether a tool measures what it purported to measure (Bell, 2005). In the context of this paper, validity referred to the extent to which results could be generalised (Page & Meyer, 1999). A non-probability sampling method was used therefore it was challenging to claim the results of the study had external validity as they may not be applicable to the larger population.

Construct validity measures if the questions asked reflect the construct (Bell, 2005). In this case, construct validity was achieved with the assistance of individuals who have extensive knowledge and experience in Marketing, Research and the Car Rental industry.

Reliability in this study considered whether or not the scale that was used to test the consumer decision making process, was consistent. The reliability of the scale was measured using

Cronbach's alpha. Cronbach's alpha is a coefficient that describes the extent to which a group of items focuses on a single construct (Mosupyoe, 2014). If the coefficient is less than 0.6 it means the consistency reliability is unsatisfactory. If, however, the coefficient is more than 0.7 it is an indication that there is satisfactory consistency (Mosupyoe, 2014).

Ethical considerations

Potential key ethical issues or concerns that pertained to this study are discussed here:

Informed consent: it was necessary that respondents were given a written consent letter to read and sign or signal acceptance before completing the survey

Ethical issues related to data analysis and reporting: the researcher had to maintain honesty and impartiality to provide accurate findings and recommendations

In summary, from a theoretical perspective, understanding the impact of generational theory on the consumer decision-making process expanded current understanding on consumer behaviour and the decision-making process. Measures were put in place to ensure that the findings obtained from the analysis extend generalizability to the population under study. The aim was to ensure that the results of this study provided insights for car rental companies regarding the design of rental packages to the various generations and perhaps use this study as a baseline for gaining insight into other generational cohorts.

RESULTS

A total of 189 responses were received. Of the 189, the following exclusions were made; 17 respondents who did not complete the survey, 1 who did not accept the informed consent, 5 were neither Generation X nor Generation Y and therefore disqualifying them as the sample, and another 70 who had not rented cars in the last 12 months, meaning that their recall of the process they followed to leading to them renting a car, would not be clear in their memories. Thus, a total of 96 responses were analysed.

In analysing the data, descriptive statistics was used. Firstly, Gaussian distribution was used to understand where respondents generally fell on the Likert scale between 1) Strongly Agree 5) Strongly Disagree in each of the questions asked. Then the study zoomed into the generational differences and understanding how they differ on the questions, as per the main objective of this study.

The following analysis starts off with the demographical breakdown of the sample. The demographics of the respondents, particularly the age, was used to ascertain whether they were suitable to take part in the study and which generation cohort they fell under.

The gender distribution of the sample is summarised in Figure 6.

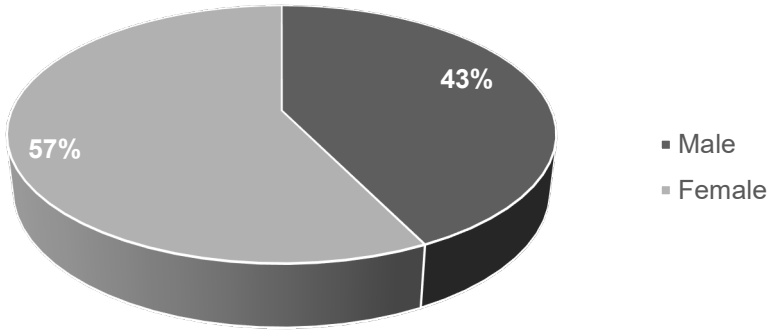


FIGURE 6 Respondent gender

The sample was made up of 57% female respondents and 43% male respondents, which meant that there were slightly more female respondents than males.

Age distribution of the sample is summarised in Figure 7.

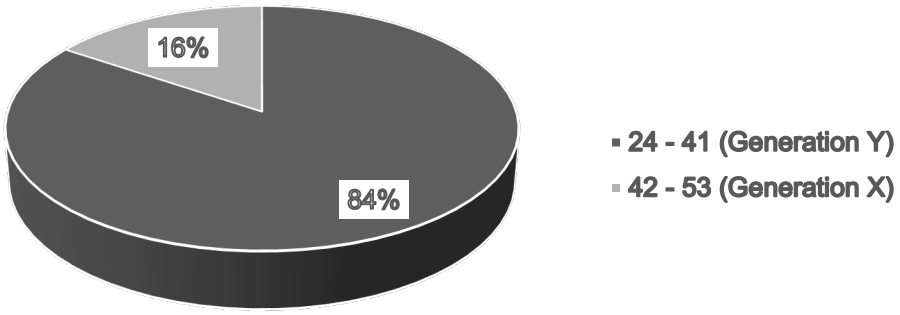


FIGURE 7 Respondent age

Most of the respondents in the sample, 84%, were aged 24 – 41 years old (Generation Y) while the other 16% were aged 42 – 53 years old (Generation X). This result shows that Generation X was under represented.

The distribution of the sample by race of the respondents is summarised in Figure 8.

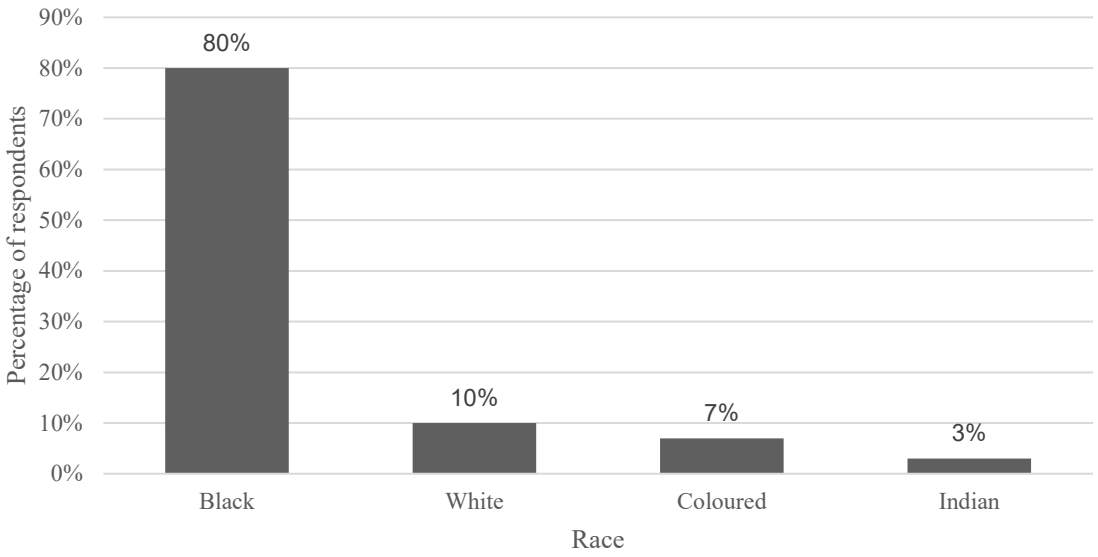


FIGURE 8 Respondent race

The results revealed that 80% of the sample were Black, 10% White, 7% Coloured and the other 3% were Indian.

Chi-square test of association was computed to assess whether there was a significant relationship between age and each of gender and race. The results are shown in Table 7.

TABLE 7 Age by gender and Race

		Age			P-value (2-tailed)
Variable	Option	Generation Y (24 – 41) (n=81)	Generation X (42 – 53) (n= 15)	Total (n= 96)	
Gender	Male	40.7%	53.3%	42.7%	.405
	Female	59.3%	46.7%	57.3%	
Race	Black	82.7%	66.7%	80.2%	.352
	White	7.4%	20.0%	9.4%	
	Coloured	7.4%	6.7%	7.3%	
	Indian	2.5%	6.7%	3.1%	

It can be noted that there was no significant difference in the gender by generation distribution since the p-value was greater than 0.05 (p-value = 0.405) and there was also no significant difference in race by generation (p-value = 0.352).

Need recognition

The first objective of this study was to determine whether and how consumers in Generation X and Generation Y who live in South Africa differ in '*need recognition*' when renting a car for leisure purposes. As the first item of the 'Process' component of the Engel-Kollat-Blackwell consumer decision making process model that formed the foundation of the study, the questions asked here were used to ascertain whether the respondents recognised a need for a car and recognised a need to rent it when travelling for holidays.

The results show that 82.35% of the respondents agreed that 'it is important that they have a car to get around when travelling for leisure' (this was split between 60.7% that strongly agree and 21.5% that somewhat agree). The balance of the sample (17.6%) either disagreed (strongly or somewhat) or was indifferent about the importance of having a car to get around.

Similarly (and as can be expected), the distribution of people that 'rent a car that they will need to make use of' was similar to the statistics above. That is: 79.4% strongly agreed, with 20.5% either disagreeing (strongly or somewhat) or were indifferent.

Independent samples t-test was conducted to assess whether the need recognition differs with generation. The results are shown in Table 8.

TABLE 8 Need recognition

Variable		**Age**	**N**	**Mean**	**Std. Dev.**	**t**	**P-value (2-tailed)**
Need Recognition							
When I travel for holidays…	It is important that I have a car to get by	24 - 41	81	4.32	1.138	-.244	.808
		42 - 53	15	4.40	1.242		
	I rent the car that I will need to make use of	24 - 41	81	4.28	1.121	.054	.957
		42 - 53	15	4.27	1.280		

1= Strongly disagree and 5 = Strongly agree

The results show that both generation Y (mean 4.32) and generation X (mean = 4.40) do not differ significantly on the importance of having a car to get around (p-value = 0.808 > 0.05). They also did not differ significantly on having to rent a car to make use of (gen Y mean = 4.28, Gen X mean = 4.27, p-value = 0.957).

Therefore Hypothesis1: Consumers in Generation X and Generation Y who live in South Africa differ in '*need recognition*' when renting a car for leisure purpose, is not supported.

Pre-purchase search

The second objective of the study was to determine whether and how consumers in Generation X and Generation Y who live in South Africa differ in '*pre-purchase search'* when renting a car for leisure purposes. The question asked was to determine which sources respondents consulted when searching for car rental companies that will satisfy their car rental need.

In terms of where respondents search for available options when they need to rent a car, results showed that the majority of respondents found cars to rent using the internet (with 76% of respondents strongly and somewhat agreeing to this statement).

Interestingly, a significant proportion of respondents (60%) disagreed (strongly and somewhat) with the idea of searching for available options from travel agents when they need to rent a car.

The method of calling different car rental companies showed a more evenly distributed response. 48.5% disagreed (strongly and somewhat) with this method, while 42.5% agreed (strongly or somewhat) with this. As such, we can deduce that overall results implied that respondents were split between agreeing and disagreeing (they neither agree nor disagree).

A similar deduction to the above was seen with asking family/friends for their recommendations, 48.5% disagreed (strongly and somewhat) and 44.5& agreed (strongly or somewhat).

Independent samples t-test was conducted to assess whether the pre-purchase search differs between generations. The results are shown in Table 9.

TABLE 9 Pre-purchase Search

Variable		Age	N	Mean	Std. Dev.	t	P-value (2-tailed)
Pre-purchase Search							
When I need to rent a car, I search for available options…	On the internet (either website, social media Google)	24 - 41	81	4.26	1.321	.861	.391
		42 - 53	15	3.93	1.486		
	From travel agents	24 - 41	81	2.44	1.549	-.051	.959
		42 - 53	15	2.47	1.552		
	By calling different car rental companies	24 - 41	81	2.85	1.606	.115	.908
		42 - 53	15	2.80	1.568		
	By asking my family / friends for their recommendations	24 - 41	81	3.01	1.545	1.750	.083
		42 - 53	15	2.27	1.335		

1= Strongly disagree and 5 = Strongly agree

It can be noted that none of the pre-purchase search options were rated differently by the two generations since the p-values were all greater than 0.05.

Therefore, H2: Consumers in Generation X and Generation Y who live in South Africa differ in '*pre-purchase search'* when renting a car for leisure purposes, is not supported.

Evaluation of alternatives

The third objective was to determine whether and how consumers in Generation X and Generation Y who live in South Africa differ in *'evaluation of alternatives'* when renting a car for leisure purposes. The questions asked were to ascertain the criteria that respondents used when evaluating their car rental alternatives.

When looking at the criteria set that respondents use to evaluate their alternative, as can be expected, price is an important determinant to respondents' rental considerations. 86% of the respondents agreed (with 68% strongly agreeing and 18% agreeing) that prices influenced their final decision to rent. Only 11.8% of the sample disagreed that prices have an impact on their decision-making process.

Whether respondents have a loyalty programme with the rental company or what vehicle brands the rental company has available seemed to have less of an impact on the decision process and therefore those factors do not play an important role in their evaluation process. 49.5% of respondents agreed (strongly and somewhat) that they are influenced by whether they have a loyalty programme with the company. This was against 51% of the respondents that either disagreed or were indifferent.

A similar split was seen with the vehicle brands available at the rental company. 45.5% agreed that the vehicle brands the rental company had available was an influential factor, while 44.5% disagreed. With this even split (and about 10% of respondents explicitly saying they neither agreed nor disagreed), we can deduce that respondents neither agree nor disagree.

The majority of the respondents, 64%, agreed that what they have experienced or what people say about the rental company's service, is a factor that they use to evaluate the alternatives. 25% disagreed with this whilst the remaining 9% neither agreed nor disagreed.

Independent samples t-test was also conducted to assess whether the evaluation of alternatives differs with generation. The results are shown in Table 10.

TABLE 10 Evaluation of Alternatives

Variable		Age	N	Mean	Std. Dev.	t	P-value (2-tailed)
Evaluation of Alternatives							
When I know which car rental companies to choose from, I make the final decision to rent based on...	Price	24 - 41	81	4.44	1.084	-.290	.772
		42 - 53	15	4.53	1.125		
	Whether I belong to their loyalty programme or not	24 - 41	81	3.26	1.555	.583	.562
		42 - 53	15	3.00	1.732		
	The vehicle brands they have available	24 - 41	81	3.06	1.584	.140	.889
		42 - 53	15	3.00	1.512		
	What I have experienced or what people say about their service	24 - 41	81	3.77	1.335	2.532	.013
		42 - 53	15	2.80	1.474		

1= Strongly disagree and 5 = Strongly agree

The results show that Generation Y (mean = 3.77) are more likely to make the final decision to rent, based on what they would have experienced or what people say about the car rental company's services compared to Generation X (mean = 2.80) since the p-value was less than 0.05. There were no significant differences in the rating of the rest of the evaluation criteria.

Therefore, H3: Consumers in Generation X and Generation Y who live in South Africa differ in *'evaluation of alternatives'* when renting a car for leisure purposes, is not supported.

Purchase decision

The fourth objective of the study was to to determine whether and how consumers in Generation X and Generation Y who live in South Africa differ in *'purchase decision'* when renting a car for leisure purposes. The questions asked intended to understand the factors that could potentially influence that purchase decision and the platforms the respondents used to rent a car after they had made the decision.

Once people had decided on renting a car, respondents mostly used the internet to book their cars. Results showed that 75% of respondents strongly agreed to the internet as the mode of booking.

On the other hand, most respondents neither agreed nor disagreed to making a booking over the phone.

Interestingly, 68.4% disagreed to calling a travel agent (with in fact, 50% strongly disagreeing).

Similarly, the majority of respondents disagreed to booking at the branch, 62%.

The majority of the respondents, 60%, agreed (strongly and somewhat) that even if they had made up their mind to book, if a competitor car rental company ran a special, they changed their mind.

Respondents neither agreed nor disagreed to changing their mind about the car rental company if queues were long at the branch when they arrived

Independent samples t-test was conducted to assess whether the purchase process differs with generation. Table 11 depicts what this study found:

TABLE 11 Purchase

Variable		**Age**	**N**	**Mean**	**Std. Dev**	**t**	**P-value (2-tailed)**
Purchase							
When I have made up my mind, I book...	Using the internet	24 - 41	80	4.36	1.324	-.367	.715
		42 - 53	14	4.50	1.092		
	Over the phone	24 - 41	80	2.71	1.503	.158	.875
		42 - 53	14	2.64	1.646		
	Through a travel agent	24 - 41	78	2.05	1.395	-.223	.824
		42 - 53	14	2.14	1.512		
	At the branch	24 - 41	77	2.29	1.477	.165	.869
		42 - 53	14	2.21	1.578		
Variable		Age	N	Mean	Std. Dev.	t	P-value (2-tailed)
Even though I've made up my mind ...	If a competitor rental company runs a special, then I change my mind	24 - 41	81	3.53	1.534	-1.568	.120
		42 - 53	15	4.20	1.424		
	If the queues are long at the branch when I arrive, I change my mind	24 - 41	81	2.54	1.415	-.984	.328
		42 - 53	15	2.93	1.387		

1= Strongly disagree and 5 = Strongly agree

It can be noted that none of the purchase variables were rated differently by the two generations since the p-values were all greater than 0.05.

Therefore, H4: Consumers in Generation X and Generation Y who live in South Africa differ in *'purchase decision'* when renting a car for leisure purposes, is not supported.

Post-purchase evaluation

The fifth and last objective of the study was to determine whether and how consumers in Generation X and Generation Y who live in South Africa differ in '*post-purchase behaviour'* when renting a car for leisure purposes. The questions asked were to ascertain what factors would make the respondents return and rent from that same company.

In the main, 67% of the respondents strongly agreed that they would return and rent from that rental company again if they experienced good service throughout the rental process and were satisfied.

75% (split between strongly and somewhat) agreed that they would return and rent again if the car rental company took action to rectify any errors they may have caused during the rental process.

Similarly, 57% agree (strongly and somewhat) that they would return and rent from that rental company again if they tried to get their feedback about the rental experience.

If the company gives discounts for the next rental, 70% of the respondents agree that they would return and rent from them again, with 45% strongly agreeing to this.

Independent samples t-test was conducted to assess whether the Post-purchase behaviour differs between generations. The results are shown in Table 12.

TABLE 12 Post-purchase

Variable		Age	N	Mean	Std. Dev.	T	P-value (2-tailed)
Post-purchase							
I return and rent from that rental company again if…	I experience good service throughout the rental process and am satisfied	24 - 41	79	4.46	1.084	1.249	.215
		42 - 53	15	4.07	1.223		
	They take action to rectify any errors they may have caused	24 - 41	79	4.14	1.129	.018	.985
		42 - 53	15	4.13	1.246		
	The company makes an effort to get my feedback about the rental experience	24 - 41	79	3.71	1.178	-.074	.941
		42 - 53	15	3.73	1.163		
	The company gives me discount for the next rental	24 - 41	79	4.06	1.294	1.625	.108
		42 - 53	15	3.47	1.356		

1= Strongly disagree and 5 = Strongly agree

It can be noted that none of the post-purchase variables were rated differently by the two generations since the p-values were all greater than 0.05.

Therefore, H5: Consumers in Generation X and Generation Y who live in South Africa differ in '*post-purchase behaviour'* when renting a car for leisure purposes, is not supported.

DISCUSSION OF FINDINGS

The purpose of this study was to explore differences and / or similarities in the consumer decision making process (an element of consumer behaviour) evident in the South African Generation X and Generation Y, when renting a car for leisure purposes. As mentioned in the earlier sections of this study, consumer behaviour answers the questions; "what consumers buy, why they buy it, when they buy it, where they buy it, how often they buy it, how often they use it, how they evaluate it, the impact of that evaluation on future purchases and how they dispose of it" (Schiffman & Kanuk, 2007). Literature suggests that 'belonging to' plays an influential role in decision making and that individuals who belong to the same social or cultural group are likely to behave in a similar way and make similar decisions in terms of buying behaviour. The reason for this similarity in generation cohorts is that their behaviour is influenced by events and they are exposed to as they grow up (Duh & Struwig, 2015). This study sought to understand if two generations would then behave differently in their decision-making process when renting a vehicle for leisure purposes.

Looking at the demographics, the results revealed that Generation X was under represented and that the sample was unevenly stewed towards Generation Y. The survey was randomly distributed using the author's personal networks and was completed online. Therefore, it could mean that the personal network consisted mostly of people that fell into the Generation Y cohort. Secondly, it could mean that the majority of the Generation X respondents who received the email with the survey link, were not comfortable with populating the survey online using computers or cell phones and would have preferred completing a hard copy or having a person present to ask them the questions.

This study was guided by five objectives which were linked to five hypotheses, based on reviewed literature and founded on the Engel-Kollat-Blackwell model, as discussed next:

Research objective 1: To determine whether and how consumers in Generation X and Generation Y who live in South Africa differ in '*need recognition*' when renting a car for leisure purposes

The objective was to determine whether there were generational differences in how consumers recognised that they needed a car when travelling for leisure purposes and recognised that the

car needed to be rented (measured through Q5.1 and Q5.2 of the survey). The objective was achieved as the need for a rented vehicle was ascertained and the difference between the two generations was statistically tested. However, the findings were that there was no significant statistical difference in need recognition between Generation Y and Generation X, therefore the hypotheses (H1) was not supported.

A possible reason for the fact that no difference was found could be that the respondents had recently rented a vehicle in the last twelve months for leisure purposes. Therefore, they had recently needed a car for holidays and had rented that car. Even though substitutes for car rental such as Uber, Taxify or borrowing a car from friends or relatives when on holiday, are increasing, individuals still prefer to rent a car.

Research objective 2: To determine whether and how consumers in Generation X and Generation Y who live in South Africa differ in '*pre-purchase search'* when renting a car for leisure purposes

Measured through question Q6.1 – Q6.4 of the survey, the purpose was to understand which platforms consumers from the two generations used to look for car rental companies, after they have recognised the need to rent a car. The objective was achieved, as a statistical test was conducted to determine whether and how the two generations differ in pre-purchase search. No significant statistical difference was found, leading to the hypothesis (H2) being unsupported.

From the Gaussian distribution results, it was observed that the majority of the respondents consulted internet channels such as car rental company websites, social media or Google when looking for a car to rent. With the rise in internet penetration and the use of the internet across generations, perhaps it should have been expected that customers would mostly turn to this platform (Effective Measure, 2017). Furthermore, with the decreasing number of people calling the call centre to make bookings, as noted by the industry experts, it is therefore no surprise that fewer customers search for available car rental options through calling the companies However, it was expected that the difference between the two generations would be that Generations X would search for available options by asking family and friends for their recommendations, seeing that this is a generation that values family and the opinion from them and is generally sceptical (Arsenault, 2004; Mosupyoe, 2014).

Research objective 3: To determine whether and how consumers in Generation X and Generation Y who live in South Africa differ in *'evaluation of alternatives'* when renting a car for leisure purposes

This objective sought to establish the element that impacts the customer's decision the most as they evaluate the available alternatives. Measured through Q7.1 – Q7.4 of the survey, the aim was to determine which is the most influential in assisting to get to the decision to purchase or rent and respondents gave their views on the following; price, belonging to a loyalty programme, vehicle brands available, own experience or what other people say. The objective was achieved, a statistical test was conducted to determine differences between the generations when evaluating alternatives. Furthermore, as the results indicated, a statistically significant difference was found in only one of the criterion; consumers in Generation Y are more likely to make the final decision to rent based on what they would have experienced or what other people say about the car rental company's service, compared to consumers in Generation X. Therefore, this finding leads to the hypothesis (H3) not being supported.

This finding should come as no surprise. As stated by Duh and Struwig (2015), Generation Y have grown up in the internet and technology age, they constantly use the internet to search for information. Therefore, they use social media platforms and other channels such as HelloPeter to express their views about brands, report on their experiences and research other people's reviews on their experiences. Based on the feedback or experience being negative or positive, they will then decide to rent or not to rent from that specific company.

Research objective 4: To determine whether and how consumers in Generation X and Generation Y who live in South Africa differ in *'purchase decision'* when renting a car for leisure purposes

Upon completing the evaluation of the car rental companies to choose from, the customer makes a *purchase decision* (Schiffman & Kanuk, 2007). The aim (using Q8.1 – Q8.6 of the survey) was to understand the factors that could influence and intervene in the purchase or rental decision between the two generations and lastly, understand if there are differences in the platforms they choose to use to make the actual rental. The objective of the study was achieved as a statistical test was conducted to determine whether Generation X's purchase decision was influenced by different factors, to that of Generation Y. The results showed that

there was no significant statistical difference in the purchase decision between the two generations, thus the hypothesis (H4) was not supported.

Car rental companies pay a significant portion of their revenue to travel agents (L. Smith, personal communication, March 20,2018). Therefore, it is interesting to see that neither of the generations indicated a strong preference to use travel agents to book once they have made up their mind. The internet still came out strongly, overall. The fact that there were no differences between the generations could be from the fact that they think they are already locked into the decision to rent so not much can influence their decision when they get to the branch, even if competitors are offering discounts or if the queues are long.

Research objective 5: To determine whether and how consumers in Generation X and Generation Y who live in South Africa differ in '*post-purchase behaviour'* when renting a car for leisure purposes

Depending on whether the customer was satisfied or not with the rental decision and whether the rental was a trial or repeat purchase, the customer might adopt that specific car rental company as the preferred choice or move to a competitor rental company (Schiffman & Kanuk, 2007; Kotler & Armstrong, 2010). Using Q9.1 – Q9.4 of the survey, the aim was to determine what factors would make the customers return to that specific company and rent from them again. The objective was achieved as statistical tests were run to determine the differences in the two generations when it came to their post-purchase decision. The results revealed that there were no statistically significant differences in how the two generation's post-purchase behaviour, leading to the hypothesis (H5) not being supported.

This result suggests that both Generation X and Generation Y expect good service from car rental companies or else they are not willing to go back and rent from them again. This was supported by the results from the Gaussian distribution, indicating that most of the respondents strongly agree that they would return to the rental company if they receive good service throughout the rental process and were satisfied.

PRACTICAL IMPLICATIONS AND RECOMMENDATIONS

Based on the theory that each of the existing generations have their own characteristics, values and attitudes based on events that influenced their upbringing (Schewe & Meredith, 2006) and supported by theory that suggests consumers follow a phased approach when making a complex purchase decision (Koklic & Vida, 2011; Schiffman & Kanuk, 2007; Erasmus, Boshoff, & Rousseau, 2001), there was indeed reason to believe that there would be statistically significant differences in the decision-making processes of Generation X and Generation Y when renting a car for leisure purposes. Based on that, the following hypotheses were developed and the results, as depicted in Table 13 mostly did not support the hypotheses:

TABLE 13 Summary of hypotheses and results

Alternative Hypotheses	**Results**
H1: Consumers in Generation X and Generation Y who live in South Africa differ in '*need recognition*' when renting a car for leisure purposes	H1, accepted null hypothesis
H2: Consumers in Generation X and Generation Y who live in South Africa differ in '*pre-purchase search'* when renting a car for leisure purposes	H2, accepted null hypothesis
H3: Consumers in Generation X and Generation Y who live in South Africa differ in *'evaluation of alternatives'* when renting a car for leisure purposes	H3, accepted null hypothesis
H4: Consumers in Generation X and Generation Y who live in South Africa differ in *'purchase decision'* when renting a car for leisure purposes	H4, accepted null hypothesis
H5: Consumers in Generation X and Generation Y who live in South Africa differ in '*post-purchase behaviour'* when renting a car for leisure purposes	H5, accepted null hypothesis

With that being the case, there is still value for car rental companies to invest in understanding the consumer decision making process of their customers and if this is done at a generational level, they will be able to show their understanding of the different generational nuances.

Leisure travel remains the star performer of the industry (ResearchAndMarkets, 2018). The study has confirmed that customers do recognise the need for a car when on holiday and most importantly for the car rental industry, they recognise the need to rent that car. Therefore, an opportunity exists for car rental companies to start cross-selling products that these customers would typically need in a car when travelling for holidays. The fact that overall no substantial differences were established between the two generations should not stop the marketing teams of car rental companies from coming up with generational targeted communication, discussing renting a car for holidays plus the other items that they can rent to complement and make their holiday planning even more stress-free. Literature points out that Generation X values clear and useful information in communications therefore the marketing teams will need to ensure that this insight comes through in their messaging (Arsenault, 2004; Mosupyoe, 2014).

Even though no generational differences were established in the pre-purchase search, there are still practical implications that can be observed from the results. Car rental companies need to ensure that they have a presence on internet channels and allocate budgets to improving the user journey experience on their websites and their visibility on search engines such as Google. The fact that customers no longer make as much use of call centres should be an opportunity to consider downscaling their call centre operations or consider investing in machine learning and artificial intelligence tools that come with the 4th industrial revolution - introduce machines to attend to the calls whilst up-skilling the people that used to be call centre agents to become more skilled in the digital space so they can invest their efforts in the internet channels used.

The results ascertained that Generation Y is most likely to turn to their historical experience and the reviews of other people on their experience with the car rental company, when making the final decision to rent. This implies that car rental companies need to make sure that they have good customer relationship management systems (CRM). A good CRM system will give them comprehensive details about the customers and this will enable them to make sure that when they deal with customers from this generation (more so than with the other generations) they can take extra care. Through implicit understanding of customer needs they can be in a

position to offer them value added products that will make their rental experience easy and more efficient. They need to make sure that they have good 'after rental' customer service by allocating dedicated human capital to look after their social media platforms to attend to and correct complaints on these platforms. After all these customers due to their activities on the digital space and social media, through their collective entries leave a trail which in turn becomes a service biography of the rental company. Through this they become each other's cross-reference points and invariably shape the future memory bank for other Generation Y customers.

The results show that there was no significant difference between the two generations when they make their purchase decision. However, car rental companies can still use this as an opportunity to make sure that they have a repeat purchase or rental and a loyal customer base. The internet came out as the most preferred channel to use for bookings and the results also show that respondents agree that if a competitor runs a special, they are likely to change their mind and rent from them. Therefore, this presents an opportunity for car rentals to use internet bookings to 'lock' customers in. This can be done by offering a discounted rate for the next rental when a customer books online.

Generally, all customers expect good service from car rental companies and that is the key factor that would lead to a loyal customer and a repeat rental. There were no significant differences established that would make Generation X return, which differ from the factors that would make Generation Y return, which considers to post-purchase behaviour. With the understanding of group behaviour that this study has shared, car rental companies can start packaging group leisure rental offerings to the different generations. This could possibly result in a more satisfied renter who would be more loyal. This could include a specific rental rate for a specific car when travelling as a group of about six friends (which are likely to be in the same generation). This will mean the car rental company gets exposure to more people as they are travelling as a group and with a good service provided, this will lead to word of mouth, more awareness which can possibly translate into more rentals.

DELIMITATIONS, ASSUMPTIONS AND RESEARCH LIMITATIONS

The delimitations, assumptions and limitations of the study are outlined below and the results must be viewed in the context of these:

The quota sampling method (non-probability sampling approach) was used therefore limiting the ability to generalise the findings.

The study only focused on Generation X and Generation Y and therefore did not take into consideration other cohorts. Furthermore, it only looked at leisure car rental, ignoring other categories. This limits the ability to generalise to other generations nor product or service categories.

Generation X was underrepresented; therefore, the generation cohort split was not evenly distributed, it was skewed towards Generation Y.

The fact that respondents were not asked about specific car rental brands could have influenced the findings.

Even though a total of 189 responses were received, the actual sample that was analysed was limited to 96 respondents who gave permission and fell within the generational cohorts under study .

This study was underpinned by the following assumptions:

There would be evident differences in the consumer decision making process of Generation X and Generation Y

Respondents had previous experience with renting a car for leisure and therefore would be able to respond to questions pertaining to their decision making process when choosing where to rent a car

Respondents would agree to answering the survey questions honestly and accurately

FUTURE RESEARCH

Future researchers should consider increasing the sample size to include more respondents and to include more respondents from Generation X.

It would also be encouraged that further research explicitly includes the 'Input' component of the Engel-Kollat-Blackwell Model. There is a possibility that elements of the Marketing Mix such as Product, Promotion, Price, Place (channel of distribution), of the different car rental companies could influence the results. This might add more insight into the decision-making process followed by the two generations.

Understanding where the renter is going to on holiday could also influence the decision-making process, including who they are travelling with. If, for example, Generation X is the main renter but is travelling on holiday with their Generation Y child, the decision maker could possibly be the child and not necessarily the renter. This influences the rental decision.

Given the significant difference found in the 'evaluation of alternatives' process, it would be beneficial to undertake further research on the platforms that Generation Y use, such as Facebook, Twitter, HelloPeter, Bookings.com, which then influence their decision to rent or not. This will further help the car rental companies to detect and then manage the negative sentiment on those platforms. Furthermore, it would also assist to investigate what happens when the negative experience has been rectified with Generation Y. The question to focus on there would be whether they become a lost customer forever or if their loyalty is restored after the experience has been corrected.

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APPENDICES

A: Informed consent for participation in the academic research study



Informed consent for participation in an academic research study

'Leisure vehicle rental behaviour of Generations X and Y in South Africa'

Dear Respondent,

You are invited to participate in an academic research study conducted by Nomawethu Mahlutshana, a final year MBA student at Wits Business School.

The purpose of this study is to investigate differences and / or similarities between consumers in Generations X and Y with regards to their consumer decision making process when renting a car for leisure purposes.

Please note the following:

This study involves an anonymous survey
Your participation is voluntarily, you may choose not to participate, and you may also stop participating at any time without any negative consequences
This questionnaire should not take you more than 10 minutes
The results of the study will be used for academic purposes only
Please contact Nomawethu (nomawethut@gmail.com) or the supervisor, Lindelwa Mthembu (mthembul@yahoo.com) if you have any questions or comments regarding the study
Please **'Accept'** if you have read and understood the information provided above and to confirm that you give your consent to participate on a voluntary basis.

Accept
Do Not Accept

B: Data collection instrument



Consumer decision making process survey

Have you rented a car in the last 12 months for leisure purposes, i.e. holiday or any other personal travel purposes?	Yes No
What is your age	24 - 41 42 - 53 None of the above
What is your gender	Male Female
What is your race	Black White Coloured Indian Other

With the following set of questions, please select your level of agreement or disagreement with the provided statements

1= Strongly disagree	2= Somewhat disagree	3= Neither Disagree or Agree	4= Somewhat agree	5= Strongly agree

Need Recognition

When I travel for holidays…
it is important that I have a car to get by

I rent the car that I will need to make use of

Pre-purchase Search

When I need to rent a car, I search for available options…
on the internet (either website, social media Google)
from travel agents

by calling different car rental companies

by asking my family / friends for their recommendations

Evaluation of Alternatives

When I know which car rental companies to choose from, I make the final decision to rent based on...

price

whether I belong to their loyalty program or not

the vehicle brands they have available

what I have experienced or what people say about their service

Purchase

When I have made up my mind, I book...

using the internet

over the phone

through a travel agent

at the branch

Purchase

Even though I've made up my mind ...

if a competitor rental company runs a special, then I change my mind

if the queues are long at the branch when I arrive, I change my mind

Post-purchase

I return and rent from that rental company again if...

I experience good service throughout the rental process and am satisfied

they take action to rectify any errors they may have caused

the company makes an effort to get my feedback about the rental experience

the company gives me
discount for the next rental

Thank you

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