

AN ECONOMIC PERSPECTIVE ON GENERATIONAL DIFFERENCES IN THE BOOK MARKET

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Abstract

An American author, Trent Zelazny said in an interview: ‘It doesn't matter what you read. What matters is you read. Whether it's Tolstoy or Twilight, Kierkegaard or Betty and Veronica, keep reading...’

Reading and human capital development are closely linked. Reading helps to reach higher intelligence, to get general or scientific knowledge, to increase vocabulary and improves memory and writing skills.

In the 21st century competition is continually increasing, meaning that businesses need to look into consumer behaviour in the context of defining their needs, habits, ideas and preferences, within certain commodities and generations. The digital age has affected the book market, where printed books and e-books compete with each other.

The aim of our research is to identify the consumer behaviour of generations X and Y in their purchase of books and specifically, their preferences between printed books and e-books. At first glance, some digital trends may look more like threats, but they must be seen as challenges - and opportunities.

Key words: consumer behaviour, generation X, generation Y, book market

JEL Code: J15, C12

Introduction

The book has always been considered one of the most important inventions of mankind. However, we need to ignore its educational or artistic aspect and illuminate it from a completely different economic point of view. The book is a product which has a wide range of consumers, since it is bought and used by children, adults and senior citizens.

1 Theoretical overview of the research

The book market has undergone many changes in its long history. 21st century life is closely related to innovation and computer technology, so it is no surprise that like many other items in our home, books are also available in electronic form.

The subject of our research was to review book shopping habits of Hungarian nationals living in Slovakia. We have deliberately focused on generations X and Y to find out whether the purchasing habits of these generations show any differences. We wanted to find out whether consumers prefer e-books or printed books and from what sources they get them.

1.1 Hungarian minority in Slovakia

Based on data from the last Population and Housing Census in Slovakia, the population of the country was 5 397 036 in 2011. 508,714 (9.4% of the population) stated that Hungarian was their mother tongue, while only 458,467 people (8.5% of the population) said that their nationality is Hungarian .

There are 13 towns with Hungarian majority in Slovakia, 6 towns with a Hungarian population of between 25% and 50% and also 6 towns with a Hungarian population of between 10% and 25%.

1.2 E-books vs. Printed books

What is an e-book? Defining an e-book can be very difficult because people often think differently when they hear this word. The most common definition which says that an electronic book is a book we read on an electronic device is incorrect. In order to talk about eBooks, we need to take into account the duality of the file's editable nature, because it must be editable at the same time, and on the other side it has to be uneditable. The explanation is simpler than it seems, because its secret lies in the fact that the text content of e-books cannot be changed by the reader, but the text can be changed to many different sizes and styles. (Kerekes, 2011)

So which one is better: printed book or electronic book? Let's look at both the sides independently and let's have a look at the advantages and disadvantages.

Benefits of an eBook:

- easy portability
- variable text size and style
- lower price
- more books in one place
- environment-friendly

Benefits of a printed book:

- smell
- can be a gift
- easier to use
- less eye damage
- traditional feeling

Disadvantages of an eBook:

- not all books are available in electronic format
- the light may hurt the reader's eyes
- battery problem
- non-transferable

(Kumar, online)

Disadvantages of a printed book:

- larger size, heavier
- large space for storage
- a light source is required to use
- ink may fade over time.

1.3 Generations

‘A generation refers to a cohort of people born within a similar span of time (15 years at the upper end) who share a comparable age and life stage and who were shaped by a particular span of time (events, trends and developments)’(McCrindle¹)

According to McCrindle:

- Generation of Builders: who were born between 1925 and 1945
- Babyboomers: who were born between 1946 and 1964
- Generation X: who were born between 1965 and 1979
- Generation Y: who were born between 1980 and 1994
- Generation Z: who were born between 1995 and 2009
- Generation Alpha: born since the year 2010 (McCrindle, 2014)

1.4 Technology and generation X & Y

Members of Generation X are on one hand very open to technological innovations, and they are keen on using electronic devices, but on the other hand, they may have a strong sense of insecurity and skepticism about these innovations. However, it is quite clear that they can no longer imagine their future without computer technology as it has become part of their lives. (B. Szabó, 2017, online)

Y is the generation that has grown up with the Internet and social networking. They are the first generation whose members cannot imagine a day without their smartphones, the Internet and social media websites. (Koničková, online)

¹ MCCRINDLE, M., 2014, p. 1-2

2 The research

Based on the nature of the research objective, we have chosen a quantitative form, namely a questionnaire for obtaining data. After creating the questionnaire, we sent it to respondents using the online snowball method. In total 375 responses were received, of which 215 were relevant. Of the respondents, 78 are members of generation X and 137 are members generation Y. The questionnaire was only available in Hungarian language, which means that we received answers from respondents of Hungarian nationality or from Slovak people who also understand Hungarian.

Before starting our research we made 6 assumptions and 2 hypotheses:

Assumption 1:

"There is still greater demand for printed books among Hungarians in Slovakia, electronic books are not yet sufficiently popular."

Assumption 2:

"With the statement that electronic books may push printed books out of the market in the future, Generation Y agrees more than Generation X members."

Assumption 3:

"Most of the respondents have already bought books in person and online."

Assumption 4:

"Respondents are most likely to purchase a maximum of 3 books per purchase."

Assumption 5:

"Hungarian people are more likely to buy Hungarian-language books than Slovak or other books."

Assumption 6:

"Most of the Hungarian residents from Slovakia also buy books from Hungarian merchants."

H1: "The frequency of book purchases is related to the buyers generation."

H2: "The consumer's preference for electronic or printed books depends on which generation he/she belongs to."

The collected data were evaluated using the SPSS statistical program. In the first step we evaluated cumulative results and then we focused on the specifications of the generations.

The vast majority of our respondents were Hungarian (97.7%). The remaining 2.3% of the respondents are native Slovaks who speak Hungarian as well.

As we did not want to limit the research, we extended it to the whole country, because the proportion of the Hungarian population varies in each district. It is not surprising then, that most of the responses came from the Trnava Region and the Nitra Region. 103 (47.9%) of the respondents are living in Region of Trnava and 73 (33.9%) of the respondents have sent their answers from the Region of Nitra. 13 (6.0%) of respondents are from the Region of Košice, 12 (5.6%) from the Region of Bratislava, 9 (4.2%) from Banská Bystrica Region, 4 (1.9%) from the Region of Trenčín and 1 (0) from the Region of Žilina.

80.9% of the respondents are women, of whom 37.4% are members of Generation X and 62.6% are members of Generation Y. The proportion of male respondents is 19.1%, of which 31.7% are from the X and 68.3% are from the Y generation.

Fig. 1: Highest level of education of respondents

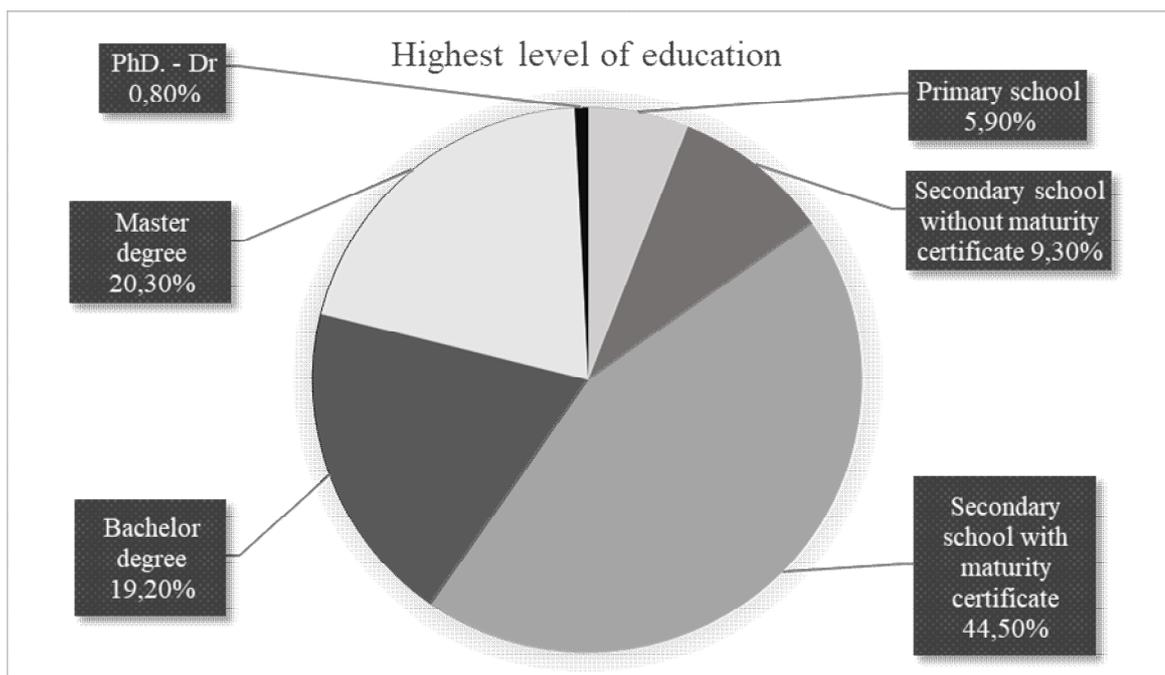
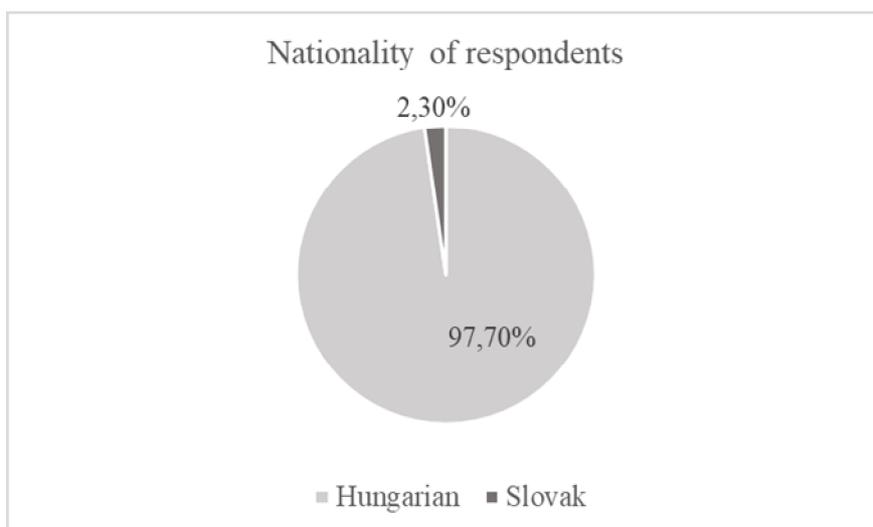


Fig. 2: Nationality of respondents



Source: Authors' own research

The first thing we asked was the language of the books our respondents buy. Our research has shown that Hungarian consumers in Slovakia mostly prefer books in Hungarian language over other languages. 34.6% of the X generation and 38.7% of the Y generation said they had never bought a Slovak language book. It is important to note that these percentages were even higher in cases of English and German books.

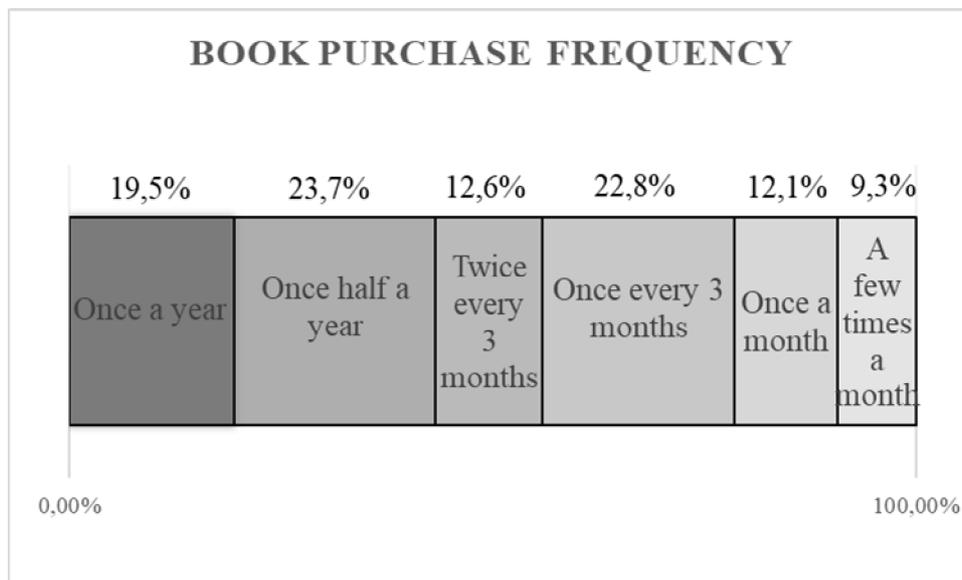
Tab. 1: Number of books our respondents buy per one purchase

	Never or rarely true		Sometimes true		Often true		Very often or always true	
	X	Y	X	Y	X	Y	X	Y
1 book	24,4 %	16,1 %	21,7 %	10,1 %	24,4 %	38,0 %	29,5 %	35,8 %
2 books	21,8 %	14,6 %	21,8 %	16,8 %	41,0 %	48,2 %	15,4 %	20,4 %
3 books	25,6 %	32,1 %	43,6 %	27,7 %	25,6 %	30,7 %	5,2% %	9,5% %
4 books	50,1 %	44,6 %	26,9 %	32,8 %	19,2 %	20,4 %	3,8% %	2,2% %
5 or more books	61,5 %	55,5 %	19,3 %	26,3 %	12,8 %	13,1 %	6,4% %	5,1% %

Source: Authors' own research

After examining the annual expenditure on books, we found that members of the Y generation spent slightly more money on books than the older generation (86.62 euros a year on average) , while the X generation spends only 77.72 euros on books over a year on average. Our respondents mostly buy books for themselves but occasionally they buy them as gifts.

Fig. 3. Book purchase frequency – both generations



Source: Authors' own research

Tab. 2: Relationship between generations and book purchase frequency - statistical hypothesis testing.

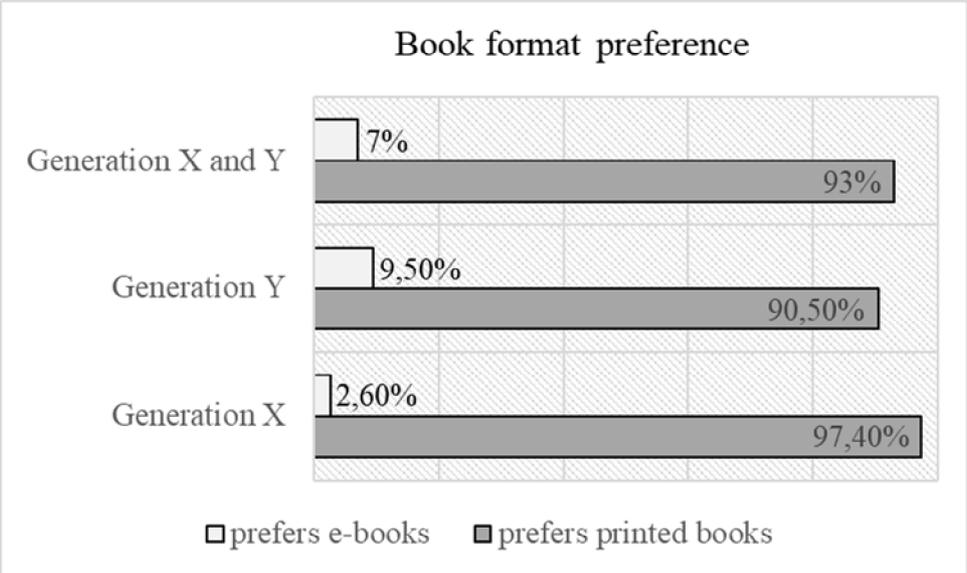
Chi-Square Tests				Symmetric Measures		
	Value	df	Asymptotic Significance (2-sided)		Value	Approximate Significance
Pearson Chi-Square	12,119 ^a	5	,033	Nominal by Nominal	Phi	,237
Likelihood Ratio	12,395	5	,030		Cramer's V	,237
N of Valid Cases	215			N of Valid Cases		215

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 7,26.

Source: SPSS, Authors' own research

In the following, we used the chi-square test for independence to determine whether there is a significant relationship between two categorical variables – generations and purchase frequency. Since the P-value (0.033) is less than the significance level (0.05), we can accept our hypothesis. Thus, we conclude that there is a relationship between generation and book purchase frequency. The magnitude of this relationship was calculated using the Cramers V coefficient (0.237), which shows that the association between generations and the frequency of book purchases is much weaker than average.

Fig. 4: Book format preference



Source: Authors' own research

Based on the evaluation of the questionnaires we can conclude that both generations prefer printed books [in a ratio of 97.4% (generation X) and 90.5% (generation Y)]. According to 51.3% of the members of Generation X, e-books cannot push out printed books from the market (59.1% of Generation Y thinks the same).

Tab. 3: Relationship between generations and book format preference - statistical hypothesis testing.

Chi-Square Tests					
	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2- sided)	Exact Sig. (1- sided)
Pearson Chi-Square	3,673 ^a	1	,055		
Continuity Correction ^b	2,683	1	,101		
Likelihood Ratio	4,247	1	,039		
Fisher's Exact Test				,091	,045
N of Valid Cases	215				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 5,44.
b. Computed only for a 2x2 table

Source: SPSS, Authors' own research

The Chi-square test also analyzed whether there was a significant relationship between generations' preference for print or electronic books. Since the P value is higher than 0.05 (in our case 0.055), it can be stated that the fact that someone belongs to the X or Y generation has no affect on which book format they prefer. This result was also confirmed by the Fishers' exact test of independence (= 0.091).

We tried to identify the factors that encourage individuals to purchase the two forms of books listed. Most respondents said that they buy printed books because they like traditional things and most importantly they like the smell of printed books. Among e-book lovers the general reasons were e-book prices and their practicality.

When someone buys an e-book, the book is bought online and is available immediately after payment. In the case of printed books, the customer can decide whether to buy the books in bookstores or through an online store. Given that our respondents strongly preferred printed books, we paid particular attention to where and how they buy printed books. Half of our „X“ respondents and 61% of „Y“ respondents have already bought from both stores (both personally and online). The proportion of respondents who only shop online is very low in both groups surveyed.

As our respondents mostly buy Hungarian books, we wanted to know from which country they purchase these items. There are bookstores and online shops in Slovakia which also offer Hungarian books, but the product range in Hungary is way more wider. We found

out that 84.6% of the respondents of Generation X buy books from both countries, 14.1% buy only in Slovakia and 1.3% buy only in Hungary from local traders. We achieved similar results from the generation Y. Of these, 85.7% buy books in Slovakia and in Hungary, while 10.6% buy only from Slovak, 6.6% only from Hungarian sources and the remaining 2.9% buy from other foreign countries.

46.2% of generation X own a loyalty card from a bookstore and 30.8% plan to get one in the future. 51.8% of respondents of generation Y have a loyalty card and 22.6% plan to get it in the future.

Conclusion

After evaluating the informations, we were able to accept or reject our 6 assumptions and 2 hypotheses.

Assumption 1: "There is still greater demand for printed books among Hungarians in Slovakia, electronic books are not yet sufficiently popular." - NOT REJECTED

Assumption 2: "With the statement that electronic books may push printed books out of the market in the future, Generation Y agrees more than Generation X members." - REJECTED

Assumption 3: "Most of the respondents have already bought books in person and online." - NOT REJECTED

Assumption 4: "Respondents are most likely to purchase a maximum of 3 books per purchase." - NOT REJECTED

Assumption 5: "Hungarian people are more likely to buy Hungarian-language books than Slovak or other books." - NOT REJECTED

Assumption 6: "Most of the Hungarian residents from Slovakia also buy from Hungarian merchants." – NOT REJECTED

H1: "The frequency of book purchases is related to the buyers generation." – NOT REJECTED

H2: "The consumer's preference for electronic or printed books depends on which generation he/she belongs to." – REJECTED

The information we have received shows that the vast majority of the Hungarian members of X and Y generation in Slovakia prefer printed books. Our suggestion for both Slovak and Hungarian merchants would be to pay more attention to the introduction of e-

books, because selling e-books could be a much more cost-effective option (for example: no storage costs, bookstore rent). Our research can also be useful for Hungarian merchants, as it shows that Hungarian residents of Slovakia need books in Hungarian. Slovak merchants could create a wider product range both in bookstores and online stores. This would mean that the supply forces would be able to generate more revenue while also meeting the needs of their consumers.

According to Oxford Learner's Dictionaries Human Capital means 'the skills, knowledge and experience of a person or group of people, seen as something valuable that an organization or country can make use of'. It means that the book market and human capital are closely related. Hungarians from Slovakia regularly buy books which is an important information for us because reading is an essential habit which helps human capital development.

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