Understanding Generation Y and their use of social media: a review and research agenda

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Abstract

Purpose – The purpose of this paper is to review what we know – and don't know – about Generation Y's use of social media and to assess the implications for individuals, firms and society.

Design/methodology/approach – The paper distinguishes Generation Y from other cohorts in terms of systematic differences in values, preferences and behavior that are stable over time (as opposed to maturational or other differences). It describes their social media use and highlights evidence of intra-generational variance arising from environmental factors (including economic, cultural, technological and political/legal factors) and individual factors. Individual factors include stable factors (including socio-economic status, age and lifecycle stage) and dynamic, endogenous factors (including goals, emotions, and social norms). The paper discusses how Generation Y's use of social media influences individuals, firms and society. It develops managerial implications and a research agenda.

Findings – Prior research on the social media use of Generation Y raises more questions than it answers. It: focuses primarily on the USA and/or (at most) one other country, ignoring other regions with large and fast-growing Generation Y populations where social-media use and its determinants may differ significantly; tends to study students whose behaviors may change over their life cycle stages; relies on self-reports by different age groups to infer Generation Y's social media use; and does not examine the drivers and outcomes of social-media use. This paper's conceptual framework yields a detailed set of research questions.

Originality/value – This paper provides a conceptual framework for considering the antecedents and consequences of Generation Y's social media usage. It identifies unanswered questions about Generation Y's use of social media, as well as practical insights for managers.

Keywords Generation Y, Millenials, Social media, Media use, Generation, Dark side, Digital media, Social networking sites, Social norms, Social stratification

Paper type Research paper

Generation Y or the Millennial Generation exerts a peculiar fascination on both managers and academics. In what has become common parlance, members of Generation Y are called digital natives, rather than digital immigrants (Prensky, 2001). They are the first generation to have spent their entire lives in the digital environment; information technology profoundly affects how they live and work (Bennett *et al.*, 2008; Wesner and Miller, 2008). Generation Y actively contributes, shares, searches for and consumes

content – plus works and plays – on social media platforms. Service managers and researchers are interested in Generation Y's social media usage because it may be a harbinger of how people will behave in the future.

In the popular press, articles about Generation Y have typically focused on the social media usage patterns of young people of relatively high socio-economic status who live in developed countries where there is relatively unfettered access to information technology and social media platforms. Yet, it is self-evident that (for example) Generation Y's social media usage in the USA is very different from South Korea due to differences in culture and technological infrastructure – and that rich people use social media in different ways than poor people. In this paper, we define Generation Y (broadly) as all people born between 1981 and 1999 – regardless of their circumstances. This definition allows us to examine differences in social media usage across diverse members of Generation Y living in different contexts.

The purpose of this paper is to review what we know – and do not know – about Generation Y's use of social media and to assess the implications for individuals, firms and society. The paper describes a conceptual framework for understanding Generation Y's social media use, its antecedents and its consequences. We believe that it is useful to explore stable differences in values, preferences and behaviors across generational cohorts (or other market segments), but we caution against overgeneralization. Hence, the paper concludes by outlining a research agenda to address unanswered questions about Generation Y's use of social media.

Service organizations, managers, researchers and public policy makers are interested in Generation Y's use of social media because it affects people's behavior in many domains – with positive and negative outcomes for customers, firms and their employees, and society. Generation Y's social media use affects consumers' identity formation, their expectations regarding service, formation of habits, engagement with brands and firms, participation in value co-creation, brand loyalty, purchase behavior and lifetime value, and (ultimately) the value of the firm. It thereby influences organizational decisions about service customization and productivity, such as how resources are allocated between labor and automation. It also profoundly influences the design and implementation of interactive services – including location-based, retail and self-service technology (Berry *et al.*, 2010) – as well as customer relationship management practices. Moreover, Generation Y's use of social media has important ramifications for how firms hire and manage employees. Last, social norms and behavior may be changing due to Generation Y's use of social media – affecting civic engagement, attitudes toward privacy, nutrition, health care practices and public safety in the general population.

This paper begins by distinguishing Generation Y from other cohorts in terms of systematic differences in values, preferences and behavior that are stable over time (as opposed to maturational or other differences). Next, we describe Generation Y's social media use and highlight evidence of intra-generational variance arising from environmental factors affecting social media use, including economic, cultural, technological and political/legal factors, as well as individual factors beyond birth cohort. Individual differences arise from relatively stable factors, such as individuals' socio-economic status, personal values/preferences, age and lifecycle stage – as well as from transaction-specific, dynamic, factors such as their goals, emotions, and social norms that may both influence and be influenced by social media use. Then, the paper

describes how Generation Y's use of social media influences outcomes for individuals, firms and society. It concludes with a discussion of research implications.

Who are Generation Y?

Generation Y or the Millennials

We follow Brosdahl and Carpenter's (2011) categorization of generations, using the following birth dates for each cohort: the Silent Generation (1925-1945), the Baby Boomers (1946-1960), Generation X (1961-1981) and Generation Y (born after 1981). There is not (as yet) widespread agreement on the start and end points for Generation Y (Gen Y). Since there is little research on children who have not yet entered high school (at about age 13), the material in this paper is primarily based on studies of Gen Y members born between 1981 and 1999. Other categorization schemes have been proposed because researchers do not agree on precisely what life events distinguish one generational group from another (Zemke *et al.*, 2000), plus there are within-generation differences. Hence, Gen Y's characteristics are sometimes discussed in overly broad, even sweeping, terms. Nevertheless, it is useful to briefly summarize the characteristics usually ascribed to Gen Y.

A key formative characteristic for Gen Y is early and frequent exposure to technology, which has advantages and disadvantages in terms of cognitive, emotional, and social outcomes (Immordino-Yang *et al.*, 2012). For example, they rely heavily on technology for entertainment, to interact with others – and even for emotion regulation. Members have experienced long periods of economic prosperity (until the past few years) and a rapid advance in instant communication technologies, social networking, and globalization (Park and Gursoy, 2012). Initially, Gen Y seemed to lack a "significant emotional event as tumultuous as the depression of 1929-1940 to serve as a rallying point" (Alch, 2000). However, members are now experiencing an era of economic uncertainty and violence (Eisner, 2005), and the worst global recession since 1929.

These external events have shaped Gen Y and influenced their social media use and buying behavior. Gen Y consumers have benefited from the increased availability of customized products and personalized services (Ansari and Mela, 2003; Berry *et al.*, 2010; Bitner *et al.*, 2000; Peterson *et al.*, 1997). They "want it all" and "want it now," particularly in relation to work pay and benefits, career advancement, work/life balance, interesting work and being able to make a contribution to society via their work (Ng *et al.*, 2010; Twenge, 2010). Service industries traditionally rely on younger workers to fill their customer-facing positions, leading to a growing interest in the work-related challenges of Gen Y (King *et al.*, 2011; Solnet *et al.*, 2013).

Generational differences versus age or maturational effects

Research on generational groupings is grounded in generational cohort theory proposed by Mannheim in 1928 (Smelser, 2001). Generational cohorts within populations coalesce around shared experiences or events interpreted through a common lens based on life stage (Sessa *et al.*, 2007), rather than conventional groupings based on social class and geography. Each generation forever shares a common perspective (Mannheim, 1952; Simirenko, 1966). As a generation matures, it develops characteristics that differentiate it from previous generations: personality traits, work values, attitudes, and motivations (Smola and Sutton, 2002). For example, a meta-analysis shows that narcissism (exaggerated self-perceptions of intelligence, academic reputation or attractiveness)

in Gen Y college students is higher than in previous generations of students (Twenge *et al.*, 2008), suggesting that this feature will endure.

One of the great challenges in generational research is that many studies are cross-sectional and do not distinguish between the effects of age versus generational (birth) cohort (Roberts and Mroczek, 2008; Rust and Yeung, 1995; Sessa *et al.*, 2007). A limited number of studies have used longitudinal methods (that distinguish between these two effects); they confirm some generationally enduring traits (Twenge and Campbell, 2008). A comprehensive review indicates that there are enduring qualities, such as the growing devaluation of work as central to people's lives and a weaker work ethic when comparing Generations X and Y to earlier generations (Twenge, 2010).
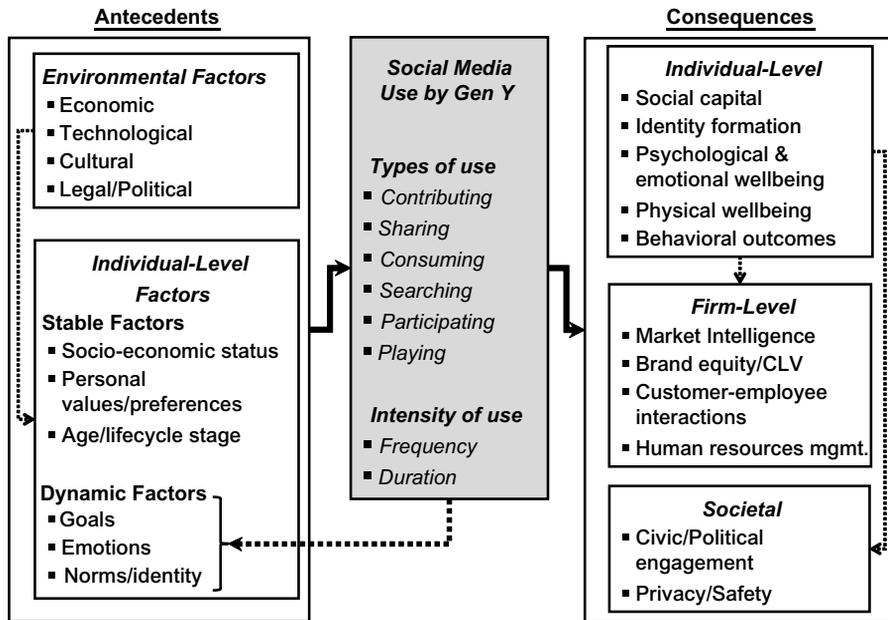
Social media usage

We consider social media in the broadest sense of the term and define it as any online service through which users can create and share a variety of content. Although social media have existed from the birth of Gen Y (1981), they were widely adopted after 2003 (Boyd and Ellison, 2008). They encompass user-generated services (such as blogs), social networking sites, online review/rating sites, virtual game worlds, video sharing sites and online communities, whereby consumers produce, design, publish, or edit content (Krishnamurthy and Dou, 2008).

Research on social media broadly classifies consumer activities as either contribution (posting) or consumption (lurking or observing) activities (Schlosser, 2005; Shao, 2009); it suggests that most users consume rather than contribute to social media (Jones *et al.*, 2004). For example, about 53 percent of active social media users follow a brand (Nielsen, 2009) rather than actively contribute content about the brand. A minority of users usually accounts for a large proportion of generated content (Bughin, 2007). However, over time, some less active consumers do become active (Hanna *et al.*, 2011). Shao (2009) has noted that some social-media activities, which are conceptually distinct, may be difficult to differentiate – due to interdependencies as they unfold over time. In a survey of ten global markets, social networks and blogs are the top online destinations in each country, accounting for the majority of time online and reaching 60 percent or more of active internet users (Nielsen, 2009).

Social media usage behavior is developing and transforming at a rapid rate. Hence, our proposed conceptual framework (Figure 1), delineating the antecedents and consequences of Gen Y's social media use, considers relatively broad categories of usage: contributing, sharing, consuming or searching for content, participating and playing. The following sections expand on the different components, starting with our framework's core: Gen Y's social media use.

Gen Y's social media use

A "broad brush" description of Gen Y starts with the observation that many members grew up with the computer; they have mastered its use for many aspects of their lives, particularly communication. These digital natives, who are either students or relatively recent entrants to the workforce, are often described as technologically savvy and the most visually sophisticated of any generation. A need to interact with others is a key reason for Gen Y's use of social media (Palfrey and Gasser, 2008). Social media users 18 to 34 years old are more likely than older age groups to prefer social media for interactions with acquaintances, friends and family. They are also more likely to value others'

Antecedents

Environmental Factors
- Economic
- Technological
- Cultural
- Legal/Political

Individual-Level Factors

Stable Factors
- Socio-economic status
- Personal values/preferences
- Age/lifecycle stage

Dynamic Factors
- Goals
- Emotions
- Norms/identity

Social Media Use by Gen Y

Types of use
- Contributing
- Sharing
- Consuming
- Searching
- Participating
- Playing

Intensity of use
- Frequency
- Duration

Consequences

Individual-Level
- Social capital
- Identity formation
- Psychological & emotional wellbeing
- Physical wellbeing
- Behavioral outcomes

Firm-Level
- Market Intelligence
- Brand equity/CLV
- Customer-employee interactions
- Human resources mgmt.

Societal
- Civic/Political engagement
- Privacy/Safety

Figure 1.
Antecedents and consequences of social media use by Gen Y

opinions in social media and to feel important when they provide feedback about the brands or products they use (eMarketer, 2011).

There is general agreement on Gen Y's frequent use of social media (i.e. high intensity of use, one of the two facets of social media use shown in Figure 1) but not on their social media activities (i.e. the types of use facet). Some studies suggest that Gen Y actively contributes content, creating and mashing (i.e. combining of content from multiple sources); that they gravitate toward social media sites where they can participate (Dye, 2007); and that they prefer to stay connected and multitask through technology (Rawlins *et al.*, 2008). On the other hand, studies of college students (a subset of Gen Y) suggest that they spend a considerable amount of time simply consuming content (Pempek *et al.*, 2009), just like other generations. Moreover, Gen Y uses social media for the same purposes as other cohorts: for information, leisure or entertainment (Park *et al.*, 2009), for socializing and experiencing a sense of community (Valkenburg *et al.*, 2006), and for staying in touch with friends (Lenhart and Madden, 2007).

Antecedents of Gen Y's social media use
Despite similarities within Gen Y that persist over time, there are many factors that influence an individual's adoption and use of social media. This section describes intra-generational variance in Gen Y's social media use due to environmental and individual factors. Environmental factors affecting social media use include economic, technological, cultural and political/legal variables. Individual differences arise from relatively stable factors (e.g. socio-economic status, personal values/preferences, age/lifecycle stage), as well as from dynamic factors (e.g. goals, emotions and social norms) that may be influenced by, and change during, social media use. These antecedents are shown on the left hand side of Figure 1.

Environmental factors

Environmental or macro-level factors (sometimes termed "structural factors") that vary across countries influence Gen Y's social media use directly – as well as indirectly via effects on individual-level factors such as socio-economic status. Differences in these factors across countries may lead to conditions that foster or inhibit social media use, as shown in Figure 1.

Economic environment. A country's economic environment can influence social media use due to its impact on disposable income, employment opportunities, consumer confidence, etc. Budget constraints during an economic downturn will decrease consumer expenditures, including on hardware that provides access to social media (Kreutzer, 2009; Lenhart *et al.*, 2010). Evidence from Pakistan (Rahman and Azhar, 2011), Lithuania (Urbonavicius and Pikturniene, 2010) and China (Chu and Choi, 2011) suggests that differences in disposable income are associated with commensurate differences in Gen Y's social media use.

Within many countries, the "digital divide" is quite pronounced (Castells *et al.*, 2004) and largely mirrors inequalities on the basis of education, income, occupation, social class and neighborhood (Zhao *et al.*, 2008). Internet access, identified as being important for overcoming the digital divide (Hargittai and Hinnant, 2008), varies considerably between low- and high-income economies (Andres *et al.*, 2010), and between urban and rural areas (Hargittai and Hinnant, 2008). In sum, affordability is an important predictor of penetration of social media use because it captures the ability to pay for devices and services within countries and markets.

The advent of pre-paid technology has significantly increased affordability of mobile communications in many markets. Nevertheless, the types and intensity of social media use may still be affected by income levels. For instance, in South Africa, where internet access through mobile phones is almost universal among urban youth, about 23 percent do not own a mobile phone and need to find ways to share ownership or pay per use (Donner, 2008; Kreutzer, 2009), making the phone itself a rallying point for a social network. This behavior has been observed in other developing countries as well (Castells *et al.*, 2004).

Technological environment. Government policies about and investments in technology infrastructures can significantly affect internet and social media use. For instance, South Korea has become one of the most technically advanced countries in terms of broadband penetration and internet usage, thanks to the government's concerted efforts (Chung, 2012). In Brazil, government sponsored LAN-houses provide internet access to the underprivileged (Horst, 2011). In South Africa, the most popular social network is used to teach mathematics (using distance-learning methods) to children in remote areas (Pyramid Research, 2010).

Cultural environment. The nature and intensity of social media use can be shaped by cultural context, such as whether it is collectivistic or individualistic (Hofstede, 2001). For instance, college students in collectivistic Korea tend to emphasize obtaining social support from existing social relationships, whereas their counterparts in individualistic USA focus more on seeking entertainment (Kim, Y. *et al.*, 2011). The proportion of "socially close others" in Koreans' online social networks is substantially higher than in Americans' online social networks (70 versus 24 percent). Other studies consistently report lower numbers of Facebook friends for their East Asian student samples, compared to US samples (Alhabash *et al.*, 2012). There are cross-cultural differences between Chinese and US samples with respect to the topics discussed in online forums

(Fong and Burton, 2008). At the same time, globalization may encourage homogeneity of Gen Y social media usage in some domains.

Legal/political environment. Government policies can significantly influence the adoption and use of social media. Enforcement of the uniform GSM standard across the European Union led to much faster adoption of third generation mobile phones, compared to the USA (Castells *et al.*, 2004). The dominance of state-owned NTT DoCoMo in Japan, with resources to develop pioneering mobile internet applications, enabled young Japanese to quickly adopt those applications, thereby contributing to intense social media use as early as 2003 (Castells *et al.*, 2004). Government intervention in terms of deregulation of telecommunication markets can also contribute to faster adoption and more intense use of social media because greater competition improves service to customers. Andres *et al.* (2010) found higher rates of diffusion of the internet in more competitive markets. Donner (2008) reports similar findings from liberalized, more competitive markets for mobile phones.

Other regulations, at times inconsistent, may affect social media use in complex ways. Since 2003 the Brazilian Government has been promoting a "free culture" (e.g. in the realm of music and other forms of cultural expression), which has produced a generation of young people willing to share but reluctant to pay for digital products (Horst, 2011). At the same time, Brazil's traditional trade barriers still in place adversely affect the availability and affordability of digital products and services, thereby contributing to increased use of social networks for activities (e.g. file sharing) that might be considered as digital piracy (Donner, 2008; Horst, 2011).

Social media have the potential to increase Gen Y's civic engagement or vice versa (more on this later). However, the political environment in countries with restrictions on freedom of expression can influence how social media are used by citizens. In Singapore, the availability of information outside official channels increased political discourse online, but did not change offline political activity due to restrictions (Skoric *et al.*, 2009). China, which has some of the most stringent internet restrictions in the world, is keen that its citizens have wide online access to "correct" information. There is room for expression as long as citizens employ a degree of self-censorship (Chung, 2012). The government collected thousands of responses to its five-year plan through a state-sponsored internet forum. When government policies limit opinions from turning into actions, social networks may become the organizing form of collective political action, especially by young people (Bennett and Segerberg, 2012).

Individual factors

Individual-level factors such as socio-economic status, personal values/preferences and age/lifecycle stage also play an important role in shaping Gen Y's social media use (Figure 1). Several of these factors interact with or result from pertinent environmental factors; hence, they are relatively stable, as is their impact on social media use. In particular, Gen Y's socio-economic status (as reflected by education, income and other markers of societal standing) in a geographic region will be strongly influenced by the economic and technological environment, and related governmental policies. For example, low education may lead to low skill levels and usage that emphasizes entertainment rather than information (Hargittai and Hinnant, 2008).

In addition to stable factors that have an overarching, enduring influence on Gen Y's social media use, each Gen Y member's individual goals, emotions and norms/identity can

influence – and be influenced by – their social media use in real time (Bagozzi and Dholakia, 2002). These individual factors are diverse; a comprehensive description is beyond the scope of this paper. For example, extensive research based on the "uses and gratifications" framework (Katz *et al.*, 1973; McQuail, 1983, pp. 82-83) considers four broad categories of individual motivations to influence usage of traditional media: information, personal identity, integration and social interaction and entertainment. However, it is important to emphasize that we consider individual factors to be "dynamic" – influencing and influenced by social media usage – as portrayed in Figure 1[1]. Thus, a Gen Y member who goes online to query her social network for information may – as her interactions with the network evolve over time – expand her utilitarian goal to include hedonic goals. Similarly, a Gen Y member's emotions and norms (e.g. what is perceived as acceptable or unacceptable behavior) may change over time during a social media interaction.

Identifying what is unique about Gen Y is challenging because the roles that social media play in a person's life naturally evolve across lifecycle stages. Moreover, Gen Y is often referred to as the "Peter Pan Generation" because they tend to delay entering adulthood by postponing living independently from their parents, marrying, and starting a family – partly from a desire to avoid perceived "mistakes" by their parents and to make the right decisions about family and career (Carroll *et al.*, 2009). For Gen Y, age may no longer be an accurate indicator of lifecycle stage, and lifecycle stage may be a stronger determinant of the nature and intensity of social media use. Both within-Gen Y differences and the dynamic, interactive links between some individual-level factors and social media use add to the challenge of identifying Gen Y's distinct characteristics. Hence, we can only speculate if and how Gen Y's usage of social media is unique and what short- and long-term effects this may have on individuals, firms, and society at large. However, there are some previous findings related to Gen Y's uniqueness *vis-à-vis* personal values/preferences that we briefly outline next.

Gen Y is often characterized as being more skeptical, blunt, and impatient relative to their predecessors – arguably, due to being raised in an environment of information transparency and dominated by technologies that offer instant gratification. Cross-generational surveys conducted by Twenge (2007) suggest that Gen Y has a greater sense of entitlement and a tendency to reject social conventions compared to Baby Boomers at similar ages. Findings from an historical survey of college students showed systematic differences in personal values between Gen Y and their predecessor cohorts, e.g. a significantly greater proportion of Gen Y students stated that being wealthy was very important to them, and values such as developing a meaningful philosophy of life were not (Healy, 2012). Due to exposure to rapidly changing technology, accessible education, and highly supportive families, Gen Y members are considered to be more open to change, technologically savvy, better learners, more tolerant of diversity, and efficient multi-taskers (NAS, 2006).

In summary, a variety of individual-level factors, both stable and dynamic, may influence Gen Y's social media use. However, much is yet to be learned about how they influence Gen Y's social media use and whether their influences are unique to Gen Y.

Outcomes for individual consumers

This paper considers the effects of Gen Y's social media use on outcomes for individuals, firms and society. The right hand side of Figure 1 shows some (not all)

of the consequences of Gen Y's social media use. We first discuss potential beneficial effects of Gen Y's social media use, followed by detrimental effects, i.e. "dark side".

Beneficial effects

Earlier, we mentioned that one primary reason Gen Y uses social media is to socialize and experience a sense of community (Valkenburg *et al.*, 2006). As such, a positive outcome of Gen Y's social media use is the formation and maintenance of social capital (Berthon *et al.*, 2011; Ellison *et al.*, 2007; Valenzuela *et al.*, 2009). Social networks such as Facebook can boost young people's social capital because their identities are shaped by what they share about themselves and, in turn, what others share and say about them (Christofides *et al.*, 2009). Social media use may have additional salutary effects on Gen Y's psychological and emotional well-being. For instance, it can strengthen family bonds (Williams and Merten, 2011) and nurture other supportive social relationships that enhance Gen Y's self-esteem (Valkenburg *et al.*, 2006).

The potential benefits of Gen Y's social media usage extends to their physical well-being because social media are efficient and effective in communicating health information to people (Hackworth and Kunz, 2010) – especially in developing countries with younger populations (dominated by Gen Y) who have limited access to healthcare. While much is yet to be learned, some research-based insights are available about effectively communicating health-related information to Gen Y. For example, based on a meta-analysis of health-communication studies, Keller and Lehmann (2008, p. 126) suggest that "younger audiences prefer messages about social consequences over multiple exposures whereas older audiences are more influenced by physical consequences, regardless of the number of exposures".

Healthcare – relating to both psychological and physical well-being – illustrates how social media use has individual-level consequences for Gen Y, as well as managerial (firm-level) and policymaking (societal) implications. Gen Y's social media use has individual-level, firm-level and societal implications (especially *vis-à-vis* the "dark side" as discussed in the next section) in other behavioral domains as well, e.g. risk-taking, personal-information disclosure, privacy, WOM communications, online purchasing, ethics, and so forth.

"Dark side" or detrimental effects

Gen Y's social media use can adversely affect virtually all facets of individual-level consequences shown in Figure 1, including psychological, emotional and physical well-being and social development. Since Gen Y is prone to relying heavily on technology for communication, entertainment, and even emotion regulation, there are serious concerns about the long-term effects of (over) use on their mental health (Immordino-Yang *et al.*, 2012).

Although social media use can enhance Gen Y members' social capital, it can also have serious negative consequences if they disclose too much or sensitive personal information in their quest for social approval. Adolescents and college students who spend more time online disclose more information (Christofides *et al.*, 2009; Christofides *et al.*, 2012), which can distort intimate relationships (Lewis and West, 2009). "Need for popularity" is a strong predictor of information disclosure on Facebook (Ellison *et al.*, 2007). Although people may be aware of the potential dangers of social-network participation (such as stalking or cyber bullying), they have little control over access to their information on

social networks (Hundley and Shyles, 2010; Lewis and West, 2009). In addition, individuals' loss of privacy is linked to firm-level consequences (such as firms using information from social network sites in recruiting) and societal consequences (such as governments enacting public safety laws).

Yet another potential downside of Gen Y's social media use is "internet addiction" and its negative effects. Teenagers and college students report that they compulsively check social network profiles and updates (Lewis and West, 2009). Online activities can negatively influence adolescents' school activities and sleep, and decrease their participation in important offline activities (Espinoza and Juvonen, 2011). Moreover, internet addiction has been linked to depression, loneliness and social anxiety (Caplan, 2007; Skoric *et al.*, 2009). Yet, a recent study of college students (Kittinger *et al.*, 2012) found that only a minority reported frequent or occasional problems due their online behavior; other studies of teenagers and college students suggest that depression and loneliness may be both consequences and antecedents of internet addiction (Sheldon *et al.*, 2011; Tokunaga and Rains, 2010). In other words, social media use may serve as an effective coping mechanism in the short run (thereby leading to even more intense use), but exacerbate pre-existing problems of psychosocially unhealthy individuals who may not realize the long-run costs (Sheldon *et al.*, 2011).

Finally, users of social networking web sites are more likely to engage in risky behaviors than non-users are (Fogel and Nehmad, 2009). For example, Zhu *et al.* (2012) found that online-community participation leads individuals to make riskier financial decisions because they (mistakenly) believe that, if things go wrong, they will get help from the community, even if it consists of relative strangers. Whether and to what extent the social media use of Gen Y members increases their risk-proneness require further study, especially since their risk-taking behaviors are important to firms (e.g. *vis-à-vis* purchase influence, brand trial) and to policymakers (e.g. *vis-à-vis* unhealthy/harmful/illegal behaviors).

Outcomes for firms

Social media are a potential source of market intelligence. Companies such as Apple and Whole Foods monitor social networking sites and blogs to collect relevant information pertaining to marketing their offerings. Social media offer opportunities to strengthen customer relationships by encouraging customers to engage with their brands by interacting with each other (Van Doorn *et al.*, 2010; Verhoef *et al.*, 2010) and by fostering online brand or user communities (Goldenberg *et al.*, 2009; Libai *et al.*, 2010; Stephen and Toubia, 2010), which can strengthen brand equity and increase CLV. For example, Trusov *et al.* (2009) have shown that referrals on social network sites have substantially longer carryover effects than traditional advertising and produce substantially higher response elasticities.

Research-based insights specific to Gen Y's social media use *vis-à-vis* the preceding firm-level consequences are still pending. However, given the widespread adoption and use of social media by Gen Y (Sultan *et al.*, 2009), firms that stimulate engagement, build relationships and co-create value with their Gen Y customers stand to reap significant rewards (Peres *et al.*, 2011). For example, Manchanda *et al.* (2011) found that – after joining an online community – customers increased their online purchases by 37 percent and their offline purchases by nine percent. There is also anecdotal

evidence that people's use of social media platforms can foster innovative new business models in developing countries (Donner, 2008).

Gen Y's use of social media also has implications for customer-employee interactions and for how firms hire, manage and motivate employees. These implications are especially significant in service industries, such as hospitality, because increasing numbers of Gen Y members are entering the workforce (Solnet and Hood, 2008), just as the global workforce is becoming increasingly "gray" (Baum, 2010). Effectively managing Gen Y workers and their interactions with significantly more heterogeneous, multi-generational groups of co-workers and customers is a major challenge, especially because Gen Y is different in their attitudes and approaches to employment relative to older generations (Solnet and Kralj, 2011). An added complication is that – although many firms check social networking sites to screen prospective employees (Brown and Vaughn, 2012) and sometimes fire employees with inappropriate content (Ciochetti, 2011) – the use of such personal information for human resource decisions could be regarded as an invasion of privacy and may adversely affect employee productivity, health and morale (Abril *et al.*, 2012; Ciochetti, 2011). It could also lead to the discovery of information (e.g. sexual orientation of applicants) that, if used, could violate laws against selection bias (Brown and Vaughn, 2012) and discrimination (Dwyer, 2011).

Outcomes for society

The previously discussed consequences (both positive and negative) for consumers and firms of Gen Y's social media use have corresponding consequences and implications at the societal level as well. For example, a beneficial consequence is that social media, such as YouTube, Facebook and Twitter, have been used effectively to disseminate healthcare information to communities at large, especially teens and young adults (Vance *et al.*, 2009)[2]. Regarding the dark side, humans experience negative emotions (e.g. anger, envy, hatred and jealousy) and behave offline and online accordingly (Bevan *et al.*, 2012; Lyndon *et al.*, 2011). Hence, the abuse of social media at the individual level (e.g. stalking, cyber bullying) calls for appropriate legal protections to ensure public safety. In the remainder of this section, we highlight additional societal consequences and implications.

Sociologists have long proposed that social change originates from changes in cohorts of young individuals with common experiences (e.g. formal education, peer-group socialization and historical events) moving through a population (Ryder, 1965, pp. 843-844). Therefore, Gen Y's use of social media may be leading to changes in social norms and behavior at the societal level in domains such as civic and political engagement, privacy and public safety. In the civic-engagement domain, Uricchio (2004, p. 140) argues that participation in certain peer-to-peer communities "constitutes a form of cultural citizenship". Even if individuals participate for identity and social capital formation and do not coordinate their actions collectively or classify them as civic engagement, their actions have civic significance. There is evidence supporting a positive effect of Gen Y's social media use on political engagement as well. Social media stimulated and engaged 20-30-year-old citizens to collectively – and successfully – protest against government plans in Bulgaria (Bakardjieva, 2011). During the recent Arab Spring, social media connected and organized groups of young people that triggered massive street demonstrations, followed by the ouster of government leaders in Tunisia, Libya, and Egypt (Comunello and Anzera, 2012).

Members of Gen Y expect firms to respect their desire to keep their private and working lives separate and to not be judged on the basis of their online identities (Abril *et al.*, 2012). However, monitoring employees' social media persona and using the information found are likely to become the norm unless regulations restrict it (Spinelli, 2010). Unfortunately, legislation is not keeping up with the fast pace of online developments (Kim, W. *et al.*, 2011). In the absence of privacy regulations and advanced technological controls to help people protect their online privacy, they may start to self-censor their online communications, thereby contributing to societies' becoming "less free" (Abril *et al.*, 2012). Relatedly, online transparency and lack of privacy may become acceptable over time (Spinelli, 2010), leading to other detrimental consequences – such as young people lying online because they expect that others lie, which can have serious ethical consequences (Hundley and Shyles, 2010).

Research implications

The extant literature on Gen Y and its social media use raises more questions than it answers. With few exceptions, published research in this domain:

- focuses primarily on the US and/or (at most) one other country, ignoring other regions with large and fast-growing Gen Y populations where social-media use and its determinants may differ significantly;
- tends to study students whose behaviors may change as they move through lifecycle stages;
- relies on self-reports by different age groups to infer Gen Y's social media use; and
- does not examine (in depth) the drivers and outcomes of social-media use.

The conceptual framework in Figure 1, summarizing the antecedents and consequences of Gen Y's social media use, and our discussion of the framework, offer a rich agenda for further research.

Environmental antecedents of Gen Y's social media use

There is a need for broad-scope investigations aimed at understanding cross-cultural and cross-national differences and similarities in Gen Y and its use of social media. As our conceptual framework posits, a variety of environmental factors such as economic, technological, cultural and legal/political influences may have a direct bearing on the types and intensity of social media use by Gen Y. Which facets of Gen Y's social media use vary significantly across countries and what is the nature of those variations? Which facets transcend national boundaries and are invariant? If there are significant differences in Gen Y's social media use across countries what factors account for those differences and what is the relative influence of each determinant factor? Likewise, if there are similarities in Gen Y and their social media use across regions despite differences in environmental factors, what might account for the similarities? Answers to these and related questions are needed for a comprehensive (i.e. across many countries) and fine-grained understanding of Gen Y's social media use.

Environmental factors may also have an indirect effect on Gen Y's social media use through their influence on individual-level factors that influence use. For instance, the economic environment of a particular Gen Y cohort could have a bearing on its socio-economic status and hence the financial resources available to access social media.

Likewise, the cohort's cultural and political/legal environment might play a role in shaping its values and preferences pertaining to social media. Therefore, cross-national investigations examining the direct influence of environmental factors on Gen Y's social media use should explore how and to what extent those factors affect individual-level determinants of social media use, such as digital skills.

Individual-level antecedents of Gen Y's social media use
Most studies consider Gen Y as a single homogeneous cohort; some of these studies compare and contrast Gen Y with other cohorts such as Gen X and the Baby Boomers. However, there is likely to be significant heterogeneity within Gen Y in terms of social media use due to individual level factors identified by our framework. For instance, researchers typically study Gen Y (defined as those born after 1981) by focusing on distinct subgroups – high school students, college students, college graduates looking for a job, and employees early in their careers – who differ in age and lifecycle stage and, therefore, may differ in their social media use as well. Children (born after 1994) are not always considered part of Gen Y; teens (ages 13-17) use social media differently than adults do (Nielsen, 2011). Research-based insights about the nature and extent of intra-cohort variance in Gen Y's use of social media are necessary to enhance our knowledge in this domain.

The characteristic of Gen Y that distinguishes it from other generational cohorts is its intense exposure to the internet (and other modern technologies) from a very young age. However, we know little about the consequent stable values and preferences *vis-à-vis* social media use that may be ingrained in Gen Y. Research is needed to uncover enduring Gen Y traits and understand their roles in this cohort's social media use. Studies are also needed that investigate how Gen Y's more transient and evolving qualities such as goals, emotions and norms influence – and are in turn influenced by – its social media use. The roles of transient individual-level drivers may change from one usage context to another, as well as within a context due to dynamic updating as social media use unfolds. The nature and impact of transient and evolving drivers – in contrast to enduring drivers – is worthy of research attention for many reasons. For example, research on these questions will ultimately help service managers and researchers better understand how Gen Y's engagement with brands, product categories or firms is related to their social media usage (Calder *et al.*, 2009).

Types and intensity of Gen Y's social media use
The variety of ways in which members of Gen Y engage with social media (i.e. the different types and intensity of social media use) is another area meriting more – and more in-depth – research attention than in the past. Some previous studies and anecdotal evidence suggest that a majority of social media users are primarily passive observers rather than active contributors of content. However, there is still much to be learned about:

- the incidence of the different types of social media use shown in Figure 1;
- whether there are discernible differences among Gen Y subgroups that predominantly engage in each type of use;
- whether individual-level antecedents have differential effects on each type of use; and
- how Gen Y compares with other cohorts on these issues.

A related and potentially fruitful line of research is to investigate inter-generational transfer of Gen Y's social media use – in particular, under what circumstances and to what extent is Gen Y's social media use (in terms of types as well as intensity of use) likely to carry over to older generations? For example, do grandparents of Gen Y youth learn about social media use from the latter? If so, what specific types of use do they learn and how intensely do they engage in them?

The nature and extent of the association between types and intensity of Gen Y's social media use should be explored. Is the social media use of Gen Y members who engage in diverse activities necessarily more intense (in terms of frequency of accessing and/or time spent) than the social media use of other Gen Y members who engage in fewer types of activities? To what extent are the types and intensity of use in one social-networking medium (e.g. Facebook) associated with the types and intensity of use in another (e.g. LinkedIn, Twitter, etc.)? In other words, does the nature of social media use by Gen Y (and distinct subgroups within Gen Y) differ across different media or is it mostly consistent? Research-based insights about such questions can serve as a starting point for operationalizing the social-media-use construct and developing scales to measure it. Developing behavioral measures and psychometrically sound scales to quantify social media use is a research priority; they are essential for rigorous empirical tracking of diverse types of social media use and their effects on individuals, firms and societies.

Consequences of Gen Y's social media use
Insufficient research attention has been devoted to the impact of Gen Y's social media use on its members' social identity, psychological and physical well-being, and market-related behaviors (both online and offline), including purchasing and consumption, word of mouth communications, and brand and user community building. Scholarly investigations of the nature and magnitude of such individual-level effects will significantly add to extant knowledge. In addition, they are essential for addressing questions that are of practical significance to firms seeking to understand and capitalize on Gen Y's social media use. Examples of such questions include the following: what is the degree of consistency among Gen Y's online and offline identities, preferences and behaviors, e.g. do Gen Y customers who recommend (or denigrate) a brand in social media actually buy (or boycott) the brand? What are the real-time and long-term influences of word of mouth generated in social media by Gen Y members on other members' purchase behaviors? Can the effects of social media on online and offline behavior be characterized as complements or substitutes? How can firms (or public policy makers) use elements of games or play to engage, build relationships with and ultimately influence the behavior of Gen Y? What are effective ways for firms to initiate and support the building of brand communities within Gen Y that foster brand equity, and thereby contribute to CLV? What are the opportunities and pitfalls of firms promoting their brands to Gen Y through social media, and in using personal information gleaned from social media to customize their offerings?

Apart from the role of Gen Y as customers, another significant facet for firms is their role as employees. Entry-level, early-career and customer-facing positions in many firms are likely to be dominated by Gen Y members. Hence, firms need practical guidance on how best to incorporate insights about Gen Y social media usage into their human resources strategies and policies. Cross-sectional studies show generational

differences across a range of work attitudes including engagement (Park and Gursoy, 2012; Solnet *et al.*, 2012). However, it is not clear yet:

- how much of the difference is attributable to generational grouping versus age;
- how Gen Y workers can be managed to become more engaged;
- how to customize engagement practices to benefit the firm; and
- how firms can use social media to enhance employee engagement.

For instance, what are effective ways for using social media to recruit suitable Gen Y employees and foster their engagement, commitment and loyalty to the firm?

These questions are very important due to demographic trends in many countries. For example, the US Bureau of Labor Statistics projects that by 2014, nearly 50 percent of the population will fall within the Gen Y population. Companies will need to compete for Gen Y's talents. The popular business press offers many anecdotes, but there is little rigorous empirical research on these questions. Nevertheless, many firms have begun to use social media platforms internally to facilitate communication, collaboration and outreach to build an engaged and committed workforce. Gen Y employees, who have been brought up in a digital world, are more likely to use social media to share ideas and information and engage personally and professionally. Hence, research is needed to address questions similar to those posed regarding Gen Y members as customers. How can firms use social media to promote teamwork among employees and enhance their interactions with customers? What are the effects of allowing or prohibiting Gen Y employees' use of social media for personal purposes during work time?

An important issue arises because employees and customers will originate from multiple generations and (hence) be heterogeneous in terms of social media use and related preferences and values. How do interactions between Gen Y employees and Gen Y customers or employees differ from interactions between Gen Y employees and customers/employees from other generations? What are the implications of those differences for employee training and related human-resources practices, as well as for policies concerning the use of social media at work? Given the dearth of knowledge about inter-generational interactions in the context of social media use, addressing these questions may require in-depth qualitative research to lay a foundation for quantitative follow-up research.

In sum, individual-level consequences of Gen Y's social media use, in turn, influence firm-level consequences as well (this link is depicted by the dotted arrow connecting the two types of consequences in Figure 1). Likewise, individual-level consequences (collectively) raise broad, society-level issues with potential public-policy implications. In particular, the "dark side" of Gen Y's social media use for society needs to be studied. For example, does use (or overuse) of social media by members of Gen Y have adverse effects on their health (both psychological and physiological) and, if so, what are the resulting long-term costs to society at large? Longitudinal studies are also necessary to investigate, for example, the long-term effects of social media use on the well-being of Gen Y users. Which strategies could help reduce inappropriate use (or abuse) of social networking web sites?

There is some evidence of negative long-term consequences for society arising from Gen Y's social media use, such as a deterioration of civic engagement, a loss of privacy and public safety, and an increase in cyber crime (Lyndon *et al.*, 2011). However, more research is required. How will social norms change – especially regarding privacy,

given the "unforgetting" nature of the internet? Who and what factors are influencing this trend? What are the consequences of Gen Y being "outer-directed" and having a self-identify that is co-created by their peer group in a social network? Will narcissistic tendencies become more dominant as the need to self-promote increasingly becomes the norm? Which legal, technological and normative controls are necessary to reduce the negative consequences of the "dark side" of social media use? Which (social marketing) campaigns could help educate the next generation of social networking site users about how to use these sites safely and responsibly? What can be learned from successful campaigns in other areas of (social) life?

Concluding remarks

We hope this review will stimulate managers and public policy makers to identify and develop service innovations that are beneficial to individuals, firms and society. Gen Y's use of social media is already changing the marketplace, the workplace and society; it will ultimately lead to new business models, processes and products that go far beyond the examples discussed herein. However, there are still many questions about how Gen Y's use of social media will influence individual, firm and societal outcomes in different contexts. We encourage service researchers to investigate the many questions that we have identified in this article. We believe the answers can be helpful to consumers, managers and public policy makers.

Notes

1. In research based on the media uses and gratifications approach, individual factors are usually considered antecedents of consumers' use of traditional (firm-generated) communication media, such as newspapers and television programs (Malthouse and Peck, 2010). This framework has been used to study the factors influencing media usage, such as the duration time, frequency and completion of newspaper readership (Calder and Malthouse, 2003; Malthouse and Calder, 2006). However, our focus is on social media, which are unique in that their "content" is generated collectively by users rather than by firms. In this context, a consumer's benefit from one instance of social media usage can become his/her goal ("motivation") for a subsequent use. Hence: we consider individual factors (i.e. goals, emotions and norms) as both antecedents and consequences of social media use – that is, they unfold dynamically over time and we categorize uses and gratifications differently – and in a less granular way. For example, we consider six broad categories of social media activity, as well as how often and for how long a consumer engages in the activity, in Figure 1.

2. This article highlights positive and negative consequences of social media usage for consumers, firms and society. Elsewhere in this issue, two articles discuss these consequences in terms of value co-creation and describe many examples. Larivière *et al.* (2013) highlight how value fusion emerges from consumers and firms participating in mobile networks. Van Riel *et al.* (2013) consider how a service constellation – that is, multiple interdependent services – contributes to value creation, enabling innovative ways of creating value.

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