

GENERATION Y: AN EMERGING ENTREPRENEURIAL PHENOMENON

Brian Hunt: College Of Management, Mahidol University, Bangkok, Thailand
Thanaphol Virasa: College Of Management, Mahidol University, Bangkok, Thailand

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Contact: Brian Hunt, College of Management, Mahidol University, 69 Vipavadeerangsit Road, 10400 Bangkok, Thailand, (T) 662-2062000, (F) 662-2062090, Email: cmbrian@mahidol.ac.th

ABSTRACT

In this paper we propose two frameworks for considering members of Generation Y as a body of entrepreneurs who are highly educated, technically and technologically literate, not averse to risk. If they have a family business background, Generation Y entrepreneurs are prepared to break the mould of entrepreneurship of their parents' generation. Generation Y entrepreneurs without a family business background are able to create a new mould for their entrepreneurial efforts.

The concept of Generation Y has been known for some time. An article in *Business Week* (in February 1999) described a new generation of consumers and designated these Generation Y. Generation Y is so-called because its members are the children of Generation X – those born between 1968-1979 (Crowley, 2000). Members of Generation Y are also referred to as “Echo Boomers, Millenials, the Internet Generation, Nexters” (Eisner, 2005). Born between the years 1977 and 1995, by 2009 this generation's older members would be in their early-mid 30s and its younger members in their mid-late teens. The concept of Generation Y is not solely a western construct. Reports of empirical research emanate from different countries in Asia (Ralston et al, 1999; Egri and Ralston, 1999).

Members of Generation Y are “technologically savvy, multitasking individuals” who may be at an age to enter college or the workplace (Yeaton, 2008). Generation Y represents large sectors of the populations in developed countries: 28 percent in Australia and 26 percent in the USA (Rugimbana, 2000). It is predicted that by 2015, Generation Y members will constitute over one-third of the US population (Pelton and True, 2004). As they enter the workforce, Generation Y members bring “different perspectives and expectations” and are “more acceptable to change and more risk tolerant” (Chen, 2007: 28). As entrepreneurs, Generation Y members will use technology to develop extensive networks and convert their ideas into channels of communications to reach customers. In comparison with their parents (Generation X), members of Generation Y may be less conservative in adopting change (Chen, 2007).

In this paper, we present case studies of four Generation Y entrepreneurs in Thailand. One of these entrepreneurs comes from a family business background. This entrepreneur has developed business models and products and supply chains divorced from the existing family business framework. Generation Y entrepreneurs see that the trading and merchant approach of their parents' generation is not wholly appropriate for today's markets and consumers. Some of the Generation Y entrepreneurs are first generation entrepreneurs. These entrepreneurs without a family business pedigree have ‘from scratch’ engaged the potential of new technology and new entrepreneurial thinking as bases for their enterprise.

We propose two frameworks: breaking the mould, and creating the mould. Generation Y entrepreneurs from an existing family business background have perhaps learned business ‘at their parents’ knee’. These entrepreneurs have sought to develop their own enterprises with a conscious effort to engage current-day consumers in a globally connected environment. These entrepreneurs have broken the mould that they could have comfortably inherited from their parents. The first Generation Y entrepreneurs with no existing background in a family business have developed their enterprises ‘from scratch’ and sought to use new technologies coupled with their own original entrepreneurial thinking. These entrepreneurs have built a new mould by themselves.

Methodology Used in This Study

In constructing our theoretical frameworks to aid understanding of the Generation Y entrepreneur, we use primary data in the form of case studies. We conducted interviews with a number of entrepreneurs whose ages fits the profile of Generation Y (i.e. born in the late 1970s or early 1980s). We also visited their businesses and were given access to certain company documents. Currently these entrepreneurs range in ages from 24-36. Some are children of existing family businesses, some are first generation entrepreneurs.

Results and Implications

In our empirical research we have identified entrepreneurs whose entrepreneurial efforts are radically different from the entrepreneurship of their parent’s generation. In the scope and direction of their entrepreneurship these Generation Y entrepreneurs represent a new phenomenon. Their ambition and propensity to use technologies sets them apart from the previous generation of entrepreneurs. We conclude our paper with proposed frameworks for analysing and explaining Generation Y entrepreneurial activity as an emerging phenomenon that could be a model for nascent entrepreneurs.

INTRODUCTION

In this paper, we present case studies from Generation Y entrepreneurs in Thailand. Some of these entrepreneurs come from a family business background, and may have developed business models and products and supply chains divorced from any existing family business framework. Usually the family business is some form of OEM supplier, invariably competing on the basis of low production costs. We posit that the Generation Y entrepreneurs from a family business background will have learned business ‘at their parents’ knee’. That is they have been versed in entrepreneurship from an early age. Now, as entrepreneurs themselves, they are seeking to ‘break the mould of their existing family business and to develop their own enterprises.

A separate group of Generation Y entrepreneurs have no existing background in a family business. Lacking this family business experience, these entrepreneurs have developed their enterprises ‘from scratch’. Having no experience of entrepreneurship through a family background, these Generation Y entrepreneurs use their own ideas and ambitions. They have identified appropriate (and often new) technologies, and have developed their own original entrepreneurial mindsets. Instead of ‘breaking the mould’ these entrepreneurs have ‘built a new mould’ by themselves. In this paper, we present case studies to exemplify these two types of entrepreneur.

Generation Y and Generation Y Entrepreneurs

The concept of Generation Y has been known for some time. In their article in *Business Week* in February 1999 Ellen Neuborne and Katherine Kerwin described a new generation of consumers whom they designated Generation Y. Generation Y is so-called because its members are the children of Generation X, who themselves were born between 1968-1979 (Crowley, 2000; Chen 2007). Members of Generation Y are “technologically savvy, multitasking individuals” who may be at an age to enter college or the workplace (Yeaton, 2008). Chen (2007) notes that as they enter the workforce, Generation Y members bring “different perspectives and expectations” and are “more acceptable to change and more risk tolerant” (Chen, 2007: 28). In comparison with their parents (Generation X), members Generation Y may be less conservative in adopting change (Chen, 2007).

As a body of entrepreneurs Generation Y are highly educated, technically and technologically literate, and not averse to risk. If they have a family business background, Generation Y entrepreneurs are prepared to break the mould of entrepreneurship of their parents’ generation. Generation Y entrepreneurs without a family business background are able to create a new mould for their entrepreneurial efforts.

A Model of Generation Y Entrepreneurs in an Economic Framework

Figure 1 shows a conceptual model of generation Y Entrepreneurs placed in an Economic Framework.

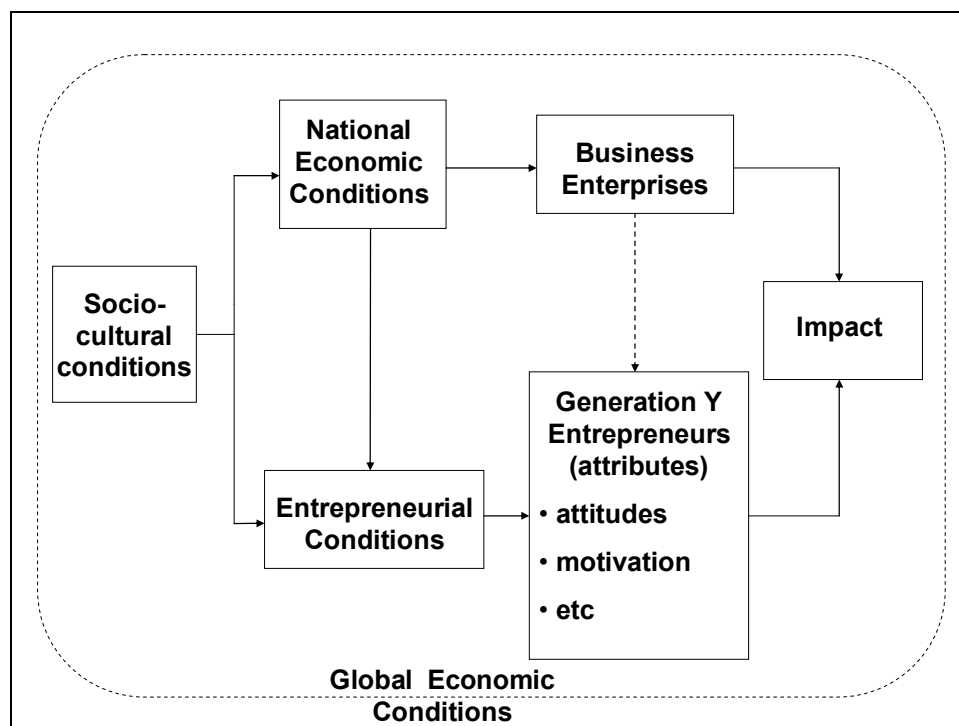


Figure X: Conceptual Model of Generation Y Entrepreneurs in an Economic Framework
(Model developed from the GEM Conceptual Model, Levie and Autio, 2008)

With few exceptions, national economic activity is bounded by economic conditions in a globalized world. The national socio-cultural environment influences a nation's economic environment (such as national attitudes towards commerce and business) and entrepreneurial conditions (such as how citizens regard the activities of entrepreneurs). A national economy comprises both large and small firms and may include multinational corporations (MNCs), local large firms, and SMEs (Levie and Autio, 2008). In this paper, our focus is on Generation Y entrepreneurs, in particular their attributes (such as age, education, business experience) and motivations. We suggest that the entrepreneurial activities of Generation Y entrepreneurs differ from that of earlier generations (such as their parents' generation) in various parameters.

Framework 1: Breaking the Mould

We propose two frameworks: breaking the mould, and creating the mould. Generation Y entrepreneurs from an existing family business background have perhaps been exposed to entrepreneurial thinking from childhood. The entrepreneurial efforts of their parents (and perhaps other family members) may have meant that family business matters are discussed around the home. It would not therefore be surprising if children of entrepreneurs acquire some knowledge of business in a similar manner to acquiring language and cultural awareness. However, as mature adults, these children may reject the certainties of their parents' generation. As part of this rebellion, Generation Y entrepreneurs are likely to desire their own frameworks for entrepreneurial activity.

It would not be unusual for the younger generation of entrepreneurs to develop their own enterprises. As members of Generation Y they may make a conscious effort to engage current-day consumers in a globally connected environment. Below we describe Generation Y entrepreneurs who have broken the mould that they could have comfortably inherited from their parents. These entrepreneurs create for themselves new perspectives on business in society from existing family experience.

Framework 2: Creating the Mould

Generation Y entrepreneurs with no existing background in a family business have developed their enterprises 'from scratch'. They have sought to use new technologies coupled with their own original

entrepreneurial thinking. These entrepreneurs have built a new mould by themselves. Below we describe Generation Y entrepreneurs who seem to fit into this second framework. Lacking a parental mould to break, these entrepreneurs have created business enterprises from their own imaginations and from their own experiences as Generation Y members. And, in like manner as their counterparts in Framework 1, these entrepreneurs have stated ambitions to conduct their businesses using recent and emerging technologies (such as the internet and virtual business tools) and to create products and services to consumers as part of a globalized economy.

Each of these two types of entrepreneur (Framework 1 and Framework 2) have lived the greater proportion of their lives as an internet generation. Technologies such as the internet, satellite communications, and biotechnology were not available to their parent's generation. Similarly, concepts such as 'green' technologies, global warming, and 'planet earth' were not as prevalent in their parents' generation as these ideas have now become. Awareness of these technologies allow generation Y entrepreneurs to think beyond their localized business level, and to see the possibilities for using these technologies as a starting point for both thought and action. Children who have been weaned on computer games are more likely to see the potentials of using such technologies for business.. and their childhood experiences of playing such games means they are less afraid of these technologies in adulthood. These views can be augmented by the notion of the 'global village' in which technological interconnectivity is taken for granted. The case studies described below exemplify this thinking. The rapid growth in communications – both technological and physical – has given members of Generation Y a wider experience of the world that for their parents was a hazy dream. This worldview has aided the ambition of these entrepreneurs.

Methodology Used in This Study

In constructing our theoretical frameworks to aid understanding of the Generation Y entrepreneur, we have used case study data. We conducted interviews with five entrepreneurs whose ages fit the profile of Generation Y (i.e. born in the late 1970s or early 1980s). Currently these entrepreneurs range in ages from 24-36. Some are children of existing family businesses, some are first generation entrepreneurs. Table 1 shows the profile of our generation Y entrepreneurs.

Table 1: Profiles of the Generation Y Entrepreneurs

	Human Touch	TT&K	I-Med	Harnnn & Thann
Age of entrepreneur (s) when starting business	29	27	35	30 and 30
Education attainment	B.A.	B.Eng., M.Eng. M.M.	B.A. MBA	B.Arch B.Eng
Education focus	Humanities	Automotive Engineering, Management	Architecture, Business, Medical technology	Architecture Engineering
Work Experience	Copy writer	Automotive Designer	Design & Architecture	Architecture International Marketing
Background	Advertising Agency	Family business in advertising	Architect	Architect Marketing Executive
Motivation	Passion about meaning of words, creativity and experience	Opportunity-driven, Family support	Job dissatisfaction and passion about biotechnology	Passion about own business (lifestyle products)

FINDINGS AND DISCUSSION

In our empirical research we have identified a number of entrepreneurs whose entrepreneurial efforts are radically different from the entrepreneurship of their parent's generation. In the scope and direction of their entrepreneurship these Generation Y entrepreneurs represent a new phenomenon. Their ambition and propensity to use technologies sets them apart from the previous (their parents') generation of entrepreneurs.

Table 1: The Businesses of the Generation Y Entrepreneurs

	Human Touch	TT&K	I-Med	Harnnn & Thann
Business	Design product	Printing media Train ad	Biotechnology Diagnostic kits	Spa products
Established	1998	2007	2001	1999
Brand	Human Touch	Napkin media	CD4 Select	Harnn and Thann
Focus of the enterprise	Unique design, International market adoption	Effectiveness of targeted media, Win-win business model through alliances	Technology innovation from university research (Chiangmai University)	Concept shop: spa and healthcare products
Ambitions	Sustainability of the business, Retired at 45	Leading in printing media	Leading biotech company of Thailand	Develop the multinational brand and have a body of loyal customers
Government Support	Venture fund from OSMEP	None	VC fund from One Asset	Personal savings

The Generation Y Entrepreneurs in Framework 1 and Framework 2

Of the entrepreneurial activity we describe, only one entrepreneur (TT&K) has a background in a family business. The entrepreneurial activity of TT&K is Thai-Chinese and the parent's business was established in 1980. TT&K's main business is print advertising in all trains in Thailand and at the central railway station in Bangkok. The eldest son of the family, whose background is automotive engineering, developed a new advertising media in Thailand using table napkins as an advertising media. He launched his new venture, appropriately called Napkin Media, in November 2007. This form of advertising is very effective as it directly targets appropriate customers for the advertised products. Advertising on napkins is light and transportable, and the targeted customer can fold up the napkin and keep it as an *aide memoire*. Even though this business idea was different from the family business, the parents fully supported this idea because his father has open-minded and invariably welcomed new business initiatives.

Founded in 2001 by two MBA graduates, I+MED Laboratories is a biotechnology company which develops and manufactures high quality rapid diagnostic tests for pregnancy, fertility, infectious diseases and drugs of abuse. The company focuses on three business segments: diagnostic products, medical supplies, and bio-business services. The manufacturing facilities are located on the Eastern Seaboard Industrial Estate. The company's mission is "*To be the leader of bio-business companies in Southeast Asia.*" The founding entrepreneur has a background in Architecture. His partner has a background in Medical Technology. The two partners met in an MBA class and worked together on a business plan project. They shared the same vision on the future of biotechnology businesses in Thailand and decided to pursue this opportunity together. To bring himself up to speed, the entrepreneur without the technology background spent much time reading basic chemistry. He also studied the trend of biotechnology industry around the world. As start-up capital the company gained venture capital funding and a bank loan. The company also received government support. In 2001, as its first product, the company developed a diagnostic test kit for HIV/AIDs. This product failed international quality tests. Learning a valuable lesson, the company changed direction from developing novel products to producing commodity ones. This shift in strategy has proved effective.

Human Touch was founded in 1998 by a group of three creative people who worked as copy writers in advertising companies. The starting point of the company came from an idea during an informal discussion among colleagues in the group and their experience in working with the customers and playing with the meaning of words. 'HUMAN TOUCH' is the wording used by advertising people. They normally use this wording to check the quality of print ad whether it touches or reaches human feeling. At the beginning, the three founders did not quit their jobs to set up this new venture. They perceived their venture as their hobby. After a while, they realized that this is what they love and the future of what they do. They then decided to quit their jobs and became full-time entrepreneurs.

The first product idea of the company was 'Think Glass' collection. For example, they used two words, 'ANT' and 'GI' and screened them on a clear glass. When a reader reads the word 'ANT' on one side of a glass and looks through the glass, on another side of the glass you can see the word 'GIANT'. Market response to the product launch was enthusiastic, especially from foreign buyers. As a result the company founder attended training courses given by government departments. Here she received advice to set up a registered company for doing international business. More foreign buyers came in the wake of attending an international gift fare in Bangkok. Glassware using such wordplay and perspective is a popular line of Human Touch products. Another popular product is a line of bed linen and pillow cases (again with clever wordplay on them). Buoyed by their success, the founding entrepreneurs launched a lifestyle shop as a showroom in Thailand. It is a new challenge for the team. To set up such a retail shop, the company cannot specialize in few things such as glasses or pillows. The company has expanded its product line ranging from glasses, pillows, office accessories, toys to fibreglass chairs.

The founding entrepreneurs of Harnn and Thann also have no family entrepreneurial background. Brought up partly in Hong Kong (where his father was manager of the Thai Airways office), he studied architecture in the USA. He won scholarship to pursue studies in Italy and Japan. The co-founder studied engineering but never used this knowledge after graduation, joining instead a multinational company (MNC) with responsibilities for international marketing. They started their enterprise in 2001.

Initially, the company produced natural-based soaps for leading department stores overseas. Rice bran soap and soap shaped like a rice grain are two Harnn and Thann leading products. Over time the founders have learned to focus in niche markets and have been successful in educating customers in the benefits of natural products. The founders are proud of the fact that they have never borrowed money for their business. At the beginning they solely relied on their personal savings. They develop their business through franchise management ventures with a network of overseas business partners. Marketing is part of the product mystique: the products are displayed in an Oriental-style shop along with oils and fragrances for beauty and spa treatments. The company has also developed a product line of natural furniture.

Harnn and Thann's founders believe that business success is not solely measured by sales and profit. Rather it stems from loyal customers who love the brands.

CONCLUSIONS

Our research into generation Y entrepreneurs is longitudinal and on-going. We continue to investigate new Generation Y entrepreneurs and request interviews and prepare case studies of their ventures. What we have presented here is an introductory overview of our research and our thinking. We believe that Generation Y entrepreneurs will become a powerful force in entrepreneurship and make an increasingly important contribution to a national economy. In subsequent research we will more closely plot the activities of Generation Y entrepreneurs against economic activity overall. We will also construct a model to contrast the entrepreneurial activity of Generation Y against each other. In this way we will be able to make more detailed and focused observations on this emerging phenomenon.

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