

A Study on the Lifestyle of Youth and Its Impact on Online Shopping

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Abstract

Consumer behaviour differs when it comes to the product, price, features, quality, packaging, lifestyle, status, generation, age of the customer etc. The changing preferences of the present day youth affects the buying pattern because they mostly follow the rhythm of fashion and taste according to the changing time. Therefore, Marketers spend crores of rupees and invest too much time on market research every year to identify and predict the changing buying behavior of youth. Now online shopping has posed many challenges to the marketer in the retail segment. The present generation is more fascinated with the online shopping than the conventional buying. The marketers are forced to introduce the innovative way of selling due to the pressure of the younger generation's lifestyle. Lifestyle of youth has as greater influence in the buying behaviour. The study is based on the conceptual understanding and the review of various research papers on this area. The major findings the study reveals that there is a major change in the buying behavior of youth compared to the elder/older generation. This is even evidenced in the increasing volume of online shopping. The major reason for the shift in the buying behavior of the youth is the change in their lifestyles. The marketer henceforth, needs to have a close monitoring of the changing lifestyle of the youth and accordingly devise the strategies to capture the youth segment in India.

Key Words: *Online shopping, Risks in online shopping, Life style of youth, Youth.*

Introduction

E-commerce is defined as buying and selling of information, products, and services via computer networks or internet. Internet and electronic commerce technologies are transforming the entire economy and changing business models, revenue streams, customer bases, and supply chains. New business models are emerging in every industry of the New Economy. Travel industry and ticketing has seen a sea change in the last decade. One estimate suggests that online travel industry contributes about 76% of total net commerce in India. Ticketing is now done either in third party websites or airline sites. Customers of online shopping are delighted with prompt delivery and flawless payment mechanisms building trust in consumers. Even online classifieds have made a successful transition on online with jobs and matrimonial taking the lead. Online retailers are now pushing a larger number of categories such as electronics and white goods. In these emerging models, intangible assets such as relationships, knowledge, people, brands, and systems are taking center stage. The internet is a disruptive technological innovation but consumers everywhere are waking up to the idea of shopping online. The lifestyle of the youth has its impact on online shopping among the people in general and youth in particular. As a result many businesses are changing the channels they use to sell their goods and services.

Online Shopping – Challenges In Indian Scenario

The internet audience, i.e. people who access the internet from either home or work, also comprises a younger population with 75% people between the age bracket of 15 and 34 years, of which the 25-34 years of age segment comprises 40%. About 50% of these visit online shopping websites. This is the core target audience for online shopping in India, both

because of their access to the internet, comfort with online transactions, their lifestyle needs and disposable income. Going forward, young India will continue to drive the growth of e-tailing. But, at the same time these youth as a consumer are also exposed to the risks associated with internet shopping.

In India social media is the driving the adoption of online shopping. The retail sector in India is booming both on and offline. India is a relative latecomer to the online shopping revolution but it is predicted that online sales will grow by 50 per cent annually in the next few years. The country is already the third largest nation of internet users with over 120 million and the rapid uptake of mobile commerce is predicted to increase the number of users to over 330 million by 2015. Social media is helping to drive the development of online shopping. Increasingly wealthy populations of young internet savvy customers are spending more time and money online and in doing so are influencing shopping trends. Among the popular products online are books, consumer electronics, travel, financial services, apparel and beauty care. Online shopping activity is concentrated in major urban conurbations with Mumbai being the main centre followed by Delhi and Kolkata.

Youth in India

Indian youth are the powerful segment in the market who directs the manufacturers to make what they want. This study evaluates the extent to which the youth plays role in directing the marketer. The study will be useful for the marketer to devise the marketing strategies to capture the present and potential youth segment in the products under study. According to the National Youth Policy-2014, the study will cover the entire youth in the age-group of 15-29 years, which constitutes 27.5 per cent of the population according to Census-2011 there are about 33 crore people.

Lifestyle of Youth

The Marketing Dictionary describes lifestyle as "a distinctive mode of behaviour centered on activities, interests, opinions, attitudes and demographic characteristics distinguishing one segment of a population from another. Lifestyle studies are a component of the broader behavioural concept called psychographics." Harold W. Berkman and Christopher Gilson define lifestyle as "unified" patterns of behaviour that both determine and are determined by consumption. The term "unified patterns of behaviour" refers to behaviour in its broadest sense. Attitude formation and such internal subjective activities may not be observable, but they are behaviour nonetheless. Lifestyle is an integrated system of a person's attitudes, values, interests, opinions and his overall behaviour.

Lifestyle of an individual plays a predominant role in the consumer behavior in general and among the youth in particular. Lifestyle marketing is a process of establishing relationships between products offered in the market and targeted lifestyle groups. It involves segmenting the market on the basis of lifestyle dimensions, positioning the product in a way that appeals to the activities, interests and opinions of the targeted market and undertaking specific promotional campaigns which exploit lifestyle appeals to enhance the market value of the offered product.

Review of Literature

1. Mulay Sphurti Shashikant (Solapur). In her study titled "A study on the Impact of Television advertisement on changing youth lifestyle", the main focus is on how and to what extent the television advertisement influences the lifestyles of the youth. Television and advertising together present a lethal combination and has become an integral part of modern society.

2. Dr. Vishal Khasgiwala & Dr. Monica Sainy (Gujarat): In their study titled “Gender disparity wise study of Impulsive buying behavior and exploratory tendencies of youth in central India”, impulsive buying behaviour is experimented. Impulsive buying is a common behavior today and can occur in any setting.

3. (Stern, 1962) examined the relationship between consumer’s demographic & life style characteristics & their impulsive buying susceptibility. Various researches suggest that people possess a personality trait which is identified by the exploratory tendencies of the consumer which then forms the habit of making impulsive purchases.

4. (Dastidar & Datta, 2009). From the study it was found that, relationship present gender wise between both the variable and influence of exploratory tendencies on impulsive buying behavior on in young female is higher than young male. It reveals that, variety seeking, risk taking/innovativeness, and curiosity motivated behavior in young female is higher result spontaneous buying behavior. While study shows that, in male it is very lower. The market is driven by youth. The population in the age-group of 15-34 increased from 353 million in 2001 to 430 million in 2011. Current predictions suggest a steady increase in the youth population to 464 million by 2021. By 2020, India is set to become the world’s youngest country with 64 per cent of its population in the working age group (The Hindu, 17 April 2013).

5. (S.Sathish and DR.A.Rajamohan 2012). In their study Consumer behaviour and lifestyle marketing, a general approach of consumer is taken. A consumer’s lifestyle is seen as the sum of his interactions with his environment. Lifestyle studies are a component of the broader behavioural concept called psychographics." Harold W. Berkman and Christopher Gilson define lifestyle as "unified" patterns of behaviour that both determine and are determined by consumption.

6. (Soney Mathews and Dr. H.Nagaraj 2010). In their study “An analytical study of VALS of Youth – Implications to Marketers, the focus is on the VALS of youth in India. Indian ‘young consumers’ spending pattern, attitudes and lifestyles have put a great impact on marketers. These young people populate the markets of the future, while having a tremendous amount of discretionary spending power today. The present trend going on in the Indian market is ‘Youth buzzing’.

7. Rashmi Bansal (2007), in her article defined urban youth as youth marketers of today in India and not as per the version of sociologists and media men who relate it to the statistics of men under the age of 25. Youth could be defined as a potent and cultural force, the consumers of today and the growth engines of tomorrow.

8. Priyanka Mehra (2009) in her article mentions that youth have always been a prime target for marketers. More so in India now, as two-thirds of the population is below 35 years of age. According to MindShare Insights, the research divisions of a media buying agency MindShare, 65%, or over 700 million Indians, are younger than 35 years. This segment has an influence on consumer spending far in excess of its numerical strength. Nine million people in the age group of 12-25 years from the top 35 cities (one million plus population) in India are the ones setting the trends and raising the aspiration value for one-billion-plus Indians, reports Mind Share Insights.

9. Manjeet (1999) in her article finds out that India’s youth are ambitious, technology-oriented and confident. By 2015, Indians under 20 will make up 55% of the population and wield proportionately higher spending power. In the west, the youth segment has almost always been pitted against their seniors.

Statement of the Problem

Thanks to the development of science and technology today's innovation becomes obsolete tomorrow. The tastes and preferences of the consumers are also changing at a rapid rate. The marketers are finding it difficult to cope up with the changing need of the customers. These changes in the expectations of the customers are due to many reasons, but one of the main reasons is changing lifestyle. Lifestyle changes are more seen among the youth than the younger children and old age people. The lifestyle of younger generation not only influences their individual buying behavior, but also it influences the buying behavior of the family. As a marketer one needs to understand the changing needs of the customers and produce the goods and services accordingly.

Scope of the Study

The study is based on the changing lifestyles of the youth and its impact on E-retailing. Lifestyle of an individual may influence many things in life, but in the present study, its impact on online shopping only is studied.

Objectives of the Study

1. To identify the changing life style affecting the buying behaviour of youth.
2. To examine the changing lifestyle of the youth and their impact on Online shopping
3. To suggest the Indian marketers the changing life styles of the youth and its influences their buying behavior.

Research Methodology

A conceptual study was conducted through the review of various works done in the area of children/youth/teenagers buying process. The conceptual analysis of various studies conducted revealed the present facts about the youth's buying behaviour and how it will have its impact in the near future. The secondary sources of data were used extensively for the analysis which included the published articles, papers presented in the conferences, related websites etc.

Analysis and Discussion

While making a purchase decision and immediately after having made a purchase, consumers experience a state of uneasiness and tension. The purchase process results in a state of anxiety and tension with respect to the negative consequences that could result from product usage. This is known as the perceived risk of the buyer in the pre and post buying process. Some of the characteristics of risks associated with online shopping are risk is perception oriented, risk differs from person to person based on their perception, risk differs from products to products based on the perception of the consumers, risk is situation based as it differs from one situation to the other one for the same person, risks perceived by the youth in online marketing etc.

Summary of Observations

The review of literature and the analysis of the various works did in the field of consumer behavior of the youth exhibits the following.

1. The purchasing behaviour of youth is different from the elder/older generation.
2. Youth prefer to buy products for their social esteem and social image
3. Youth are fascinated towards buying products to attract others especially the opposite sex
4. Youth perceive the risk in a different way, than what the elder/older generation thinks
5. The younger generations are ready to take risk and try to shop in all different possible and innovative modes.

6. The markets of the present day also do lot of research to understand the youth and their lifestyle pattern, so that they can match to the requirement of the youth segment
7. It is found that risk is characterized by many variables and all these variables need to be considered by the marketer while devising the strategy for marketing
8. Lifestyle is a changing factor and that too it is changing at a faster rate, so most of the products which is of recent innovation becomes obsolete too quickly
9. Innovation kills innovation. Due to changing technology what is an innovation today becomes obsolete tomorrow. This poses many challenges to the marketers.
10. Types of risks associated with the online shopping as generally perceived by the youth are Utility risk, Product risk, Risk of loss of money, Risk of social image, Risk of stress, Risk of waste of time etc.

Suggestions

- a. Marketers need to understand the accessibility of the online facilities to the youth segment, before launching any product in online.
- b. Marketers need conduct pre market survey to identity the need of the consumers especially in online marketing.
- c. Consumers need to be aware of online shopping and there is a need to create a proper awareness.
- d. As most of the respondents are risk averse and hence they need to be taught how to handle risk associated with online shopping.
- e. This study ultimately suggests the reader and user of this report to be aware of all the online shopping portals and make use of their utility to the maximum extent with utmost care and caution.

Conclusion

To conclude, the youth, their lifestyles, their purchasing power, awareness about the products etc. have greater influence on the buying behaviour. Changing lifestyles warrant the marketers to understand the youth in a better way to devise suitable marketing strategy to retain the present and to capture the potential market. Of late Foreign Direct Investment is also increasing in the youth segment, hence under this study, the focus is on the youth as an influencing agent to the marketers who needs to produce what the customer needs so as to survive in the market.

India is rich in young population. In India, internet is around two decades old. India is among the top 3 population of internet users with 145 million consumers. The online shopping is having just 3-4% of organised retailing. This reveals that some elements are the hindrance in the prosperity of online marketing in India. The risk perceived by the youth in India is one of them. The prosperity of online shopping in India is huge because of its big size of youth population. The government is investing a lot in internet infrastructure. The organized retailing can't reach to the rural part of India easily whereas online retailers are finding their buyers in cities including villages of across India. The retailers have to understand the issues related to perceived risks and should come up with the solutions.

Online shopping can involve potential risks to consumers and businesses. Risks to consumers broadly revolve around the possibility of personal and financial information, such as addresses, passwords and credit card details, being hacked. The primary risk for businesses is that information is used fraudulently to make a purchase from them. So to counter all these issues, the marketers should implement or practice some of the suggestions given above and create a healthy, competitive, informative, transparent, vibrant, techno savvy, economy development oriented markets in the near future. So that the concept of marketing can move on from the mere customer oriented marketing approach to Technological Customer oriented marketing approach in the near future.

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