

“AN ANALYSIS ON IMPACT OF ONLINE SHOPPING ON YOUTH CONSUMERS PARTICULARLY FOR LIFESTYLE PRODUCTS IN METRO CITIES OF MADHYA PRADESH”

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Abstract

The world is going more and more competitive in terms of business day by day. A numerous factors are responsible for making this business world more competitive. Easy transportation, technology and telecommunication gave momentum to this competition. Easy worldwide connectivity by all means gave genesis to global consumer culture, with homogeneous consumer segments and converging consumption patterns. High rate of globalization can be seen at every sphere of daily life of a consumer. Raising trend of social media made ways of promotion and communication very easy like anything which reaches to a consumer sitting all around the globe. Consumption cannot be separated from the lifestyle. The lifestyle that a consumer particularly youth wants to follow and live in. Marketing strategies, advertisements, promotional activities, trends create and shape consumer desires and aspirations of a separate pattern of life to live for. People from different parts of the world may now be consuming the same goods and the buying behavior of consumer is now influenced by new platform of shopping. A little old but still new and fresh way of shopping i.e. online shopping provided a lot of shopping

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options available to a consumer therefore they need not to rush for shopping destinations. Easy payment option, product return policy are some of the attracting features of online shopping which led consumer a bit comfortable. Undoubtedly consumers are happy with this online shopping mode in contrast retailers of lifestyle products are facing a little tough time. Because of attractive sales offers available on online shopping websites consumers are being pulled and somewhere it is adversely impacting retailers of lifestyle products.

This paper examines how youth consumer, which has been portrayed as the paradigm of this global consumer culture, creates and displays lifestyle through the consumption of mobile phones and apparel in India. This paper explains purchase preferences of youth consumers. This paper seeks to determine that mobile phone and apparel have the same symbolism and significance for the youth in terms of lifestyle products and their preferences about purchase mode. This paper analyses the impact of online shopping on youth consumer lifestyle products. Here researcher treated mobile phone and apparel as lifestyle products.

Introduction

Indian retail sector is one of the leading sectors. It is scattered in all geographical corners of India. One can purchase either from there residential area or the reach a little far attractive destination of shopping. This is one of the emerging, growing and highly potential industries of India. A number of new players entering in the Indian market almost every day. Therefore this industry contains a nice mix of existing and new retailers. As other developing and developed countries India is also in race of highly fragmented country in terms of retail. Since India is second largest populated country in the world hence keeps very huge final consumption market. This market has large population with wonderful disposable income level. If we scan India retail sector, it is flooded with private independent owners, distributors, retailers and wholesalers. This

structure provide a platform having a number of sales opportunities to new entries to the global players. This shows the great potential for the retail industry to spread its wings. It possesses opportunities to the various retailers to come into India. On the other side India is flooded with youth population.

The youth is a segment that can be influenced strongly with exclusive promotional activities and various offers. The smart retail organization along with online retailers are doing the same. Online social connectivity made platform much stronger. The youth of India is willing to maintain a mesmerizing lifestyle. Therefore he/she is in the habit of shopping. As India is developing economically, it is rising in terms of purchasing power of individuals, marketing and consumerism which has led to retail liberalization modernization in India. Liberalization opened the doors for various forms of foreign investment simultaneously modernization led the path for online shopping and penetrated internet connectivity.

Review of Literature

The Retail Market in India has undergone significant changes in the last 10 years. The retail sector in India is one of the largest sectors contributing 14 percent to the national GDP and 10 percent to formal employment. (National Accounts Statistics, taken from Gordon and Gupta, 2004). Dr. Shahid Akhter and Iftekhhar Eqbal (2012) discussed that retail is India's largest industry. The sector has witnessed an immense growth in the last few years. The key factors responsible for the retail boom have been the change in consumer profile and demographics, increase in the number of international brands available in the Indian market, economic implications of the government, increasing urbanization, credit availability, improvement in the infrastructure, increasing investments in technology and real estate building a world class shopping environment for the consumers. Solomon (1995) expressed that "consumer is the study of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires", Donthu and Gilliland (1996) explained that there are two factors mainly influencing the consumers for decision making: Risk aversion and innovativeness. Risk aversion is a measure of how much consumers need to be certain and sure of what they are purchasing. Jayasree Krishnan (2011) mentioned that the Lifestyle of individuals has always been of great interest to marketers. They deal with

everyday behaviorally oriented facets of people as well as their feelings, attitudes, interests and opinion. A lifestyle marketing perspective recognizes that people sort themselves into groups on the basis of the things they like to do, how they like to spend their leisure time and how they choose to spend their disposable income. The lifestyle concept was introduced by Bell (1958), rainwater, Coleman and Handle (1959), and Havinhurst and Feigenbaum (1959) as close to 1950s, pointing to its potential significance in understanding, explaining and predicting consumer behavior. Article by Ankita Agarwal (2012) The Indian retail industry is expected to reach US\$ 1.3 trillion by 2020. The promising sectors that are likely to grow in near future include fashion and lifestyle, food and grocery, and electronics. The Indian retail market is estimated to exceed US\$ 750 billion by 2015, according to the India Retail Report 2013 (IRIS Research). According to A T Kearney's Global Retail Development Index (GRDI) 2012, India is the 5th most favorable destination for international retailers. Of the total Indian retail market, 8% constitutes the organized retail segment which is estimated to grow at a rate of almost 30% by 2015, and hence at a much faster pace than the overall retail market which is forecast to grow by 16% in the same period. Clothing & Apparel make up almost a third of the organized retail segment, followed by Food & Grocery and Consumer Electronics. Jatinder S. Bedi (2008) has said that Cotton, cotton-related products, textiles, and apparel are important commodities that make up critical agricultural and industrial sectors in Pakistan and India. A number of key developments are emerging domestically and globally that will potentially have profound effects on the cotton-textile-apparel sectors of the two economies. The Indian Retail Sector Report (2013) published that of the total Indian retail market, 8% constitutes the organized retail segment which is estimated to grow at a rate of almost 30% by 2015. Clothing & Apparel make up almost a third of the organized retail segment, followed by Food & Grocery and Consumer Electronics.

Research Methodology and Research Design

Research Methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. In researcher's opinion research methodology is a road map or a path of conducting a research. A research design is a framework or blue print for conducting the research. It details the procedure necessary for obtaining the information needed to structure and /or solve research problem. A research design lays the foundation for conducting the project. Decisions regarding what, where, when, how

much, by what means concerning an inquiry or a research study constitute a research design. For collection of primary data a survey has been conducted for filling the questionnaires by various consumers i.e. youth to come on an interpretation and may be generation of new mode of marketing of lifestyle products i.e., online shopping. In this study mobile phones and apparel (clothes) have been treated as lifestyle products. Secondary data in this study has been collected from various reports published in newspapers, business magazines and material available on internet and books. The survey has been conducted in three metro cities of Madhya Pradesh therefore restricted to here only.

Sampling Method

Probability purposive sampling method has been employed to collect the primary data in this study.

Sample Size

A sample of 200 respondents has been taken under the study.

Sample Unit

Youth studying in various colleges of metro cities has been selected as a sample unit for the study.

Objective of the Study

1. To investigate whether consumers prefers purchasing Mobile phones online.
2. To understand whether consumers prefers purchasing Apparel online.

Limitation of the Study

This study is limited to Madhya Pradesh therefore the research is based on the data collected from here only. Most of the respondents may not give the accurate information therefore data may vary. The secondary data has been collected from various books, magazines, newspapers, internet; reports hence may possess its own inherent limitations of exactness of the statistics/information/data.

FDI in Retail Sector

Foreign direct investment (FDI) flows are commonly preferred forms than the other forms of outer investments because they are easy and give equity forms of profit and loss. It is the surest way of business which create a win – win situation to both the host and the home countries. Liberalization highly competitive, volatile financial markets, increasing international business and role of

investors willing to invest abroad, continuous upgradation in modern telecommunication, computer network and internet connectivity are the factors which all resulted in an extraordinary flow of international private capital in India over the last few decades.

2011 India did not open its market for Foreign Direct Investment (FDI) in multi-brand retail. Indian government was forbidding foreign companies from any ownership in supermarkets, convenience stores or any retail outlets. Only single-brand retail was liberal to 51 per cent ownership.

But the condition has been changed in January 2012 when India allowed 100 per cent FDI in single-brand retailing and 51 per cent FDI in multi-brand retailing. India has opened up in single-bran retailing but with a constraint to retailers. Single–brand retailers have to source 30 per cent domestic goods in their basket.

Manmohan Singh, the then prime minister of India in December 2012 allowed 51 per cent FDI in multi-brand retail. It has been said that this would be beneficial at all ends. The consumers and farmers will surely be getting benefits of these new reforms. Other objective is to strengthen agricultural marketing with the introduction of new technologies.

Online Shopping

In past years increased E-commerce has changed the face of Indian retail sector. Since information technology has captured all sphere of life more and more consumers especially



youth in India are willing to explore internet oriented shopping destinations with numerous product alternatives. In this growing scenario, E-tailers are tuning some innovative ways of communicating with their consumers, introducing online channels with physical outlet. The objective just to be with their target consumers via various touch points.

E-commerce market in India is witnessing a continuous growth with high rate. The consumers are coping with the same by shopping online which they find very friendly.

Tata Strategic research has revealed that the e-commerce market was at USD 11 Bn in 2015 and it is expected to reach USD 100Bn by 2020. And as per, “Indian Online Retail Market Analysis”, online retail sector is in its growing phase with high rate. Various available facilities like smart mobile phones have internet connectivity have penetrated the market. It forces consumers to shop online. According to the report; identified causes for this new genesis of online shopping are home delivery, various attractive offers and discounts provided by online retailers. Another reason which compels the shopper of metro cities to shop online is busy lifestyle and hectic schedule. It does not provide time to consumer to find time to go out for shop. As per their research, online retail accounted for less than 1% of the total retail market in India, and therefore, it has presented rich growth and sales potential for upcoming and existing international retailers.

Lifestyle Products

Lifestyle branded products used by the target consumers is helpful in developing promotional strategies in a number of ways. It gives the strategist a complete deep profile of the type of consumer who will be at the receiving end of the communication. Lifestyle is an integrated system of a person's attitudes, values, interests, opinions and his overall behavior because it defines the way in which a person lives. When a consumer makes a purchase of certain brands, the behavior and choices define the expression of a certain taste – of a personal identity. It makes the individual a center of attraction with the feeling what he/she is. It also gets consumers know what suits to their lifestyle.

The India is country of very huge population so as has a giant size consumer market that is dominated by youth consumers. The youth of India is becoming sophisticated, look, brand and lifestyle conscious that is more than end usage of a product. They want to extract the flavor associated with the lifestyle products. In modernized scenario the youth of India is willing to purchase a product that shows his/her interest and lifestyle. This result in frequent shopping of mobile phones and apparel.

Lifestyle is one of the important marketing concepts used in segmenting markets and understanding target customers by the marketers. Many researchers have focused on identifying the lifestyle of the consumers' to have better information about them. The marketers of lifestyle products including mobile phones and apparel are also positioning their products in these way only. They are pinching and highlighting the lifestyle point more and more in their promotion and communication activities. Social media is playing a dominating role in these promotional strategies.

Youth and Mobile Phones

As tele density in urban India is penetrated the rural India is on its rapid growth of tele density. Tele density is the number of telephone connections per 100 people in a specified geographical area. With urban area tele density nearing saturation the highly competitive telecom operators are now focusing on increasing their footprints in rural areas, not only through voice but data penetration as well. As per Regulatory Authority latest data, there are 338.54 million rural subscribers which is 37% of the total wireless subscribers of the country. Data from cellular operators association of India, in a study by Vaishnavi Bala, (FE, June 2013)⁵ Bharti Airtel has 82.1 million rural subscribers Vodafone India close on the heels, 82.2 million and Aditya Birla Group idea has about 65.8 million subscribers on 31st march 2013.

Spoke person on new Ida cellular spoke 'Ideas has always remained focused on growth from rural India and started setting up the network to grow mobile telephony in untapped market right from the start of its operations". Telecom companies have now begun to let on data services in rural area as well. Telecommunication companies are adopting various incentives make viable business models.

This critique could be counteracted by saying that the homogenization of consumers is evolving at the same time as the markets globalize, and thus, the new generations, linked to progress and modernity, with better access to the global market, will emerge as the perfect representation of the global consumer segment described by Levitt. As emphasized in the introduction, mobile phones are often portrayed as the symbol of modernity and youth (Katz and Sugiyama, 2005:67) and as the epitome of the global market. As surveys reveal, from Argentina to Singapore, teenagers are attracted by the same brands (Global Habbo Youth Survey Brand 2009), buy the same handsets and use them in a consonant way to communicate, sending SMS, taking pictures with their built-in-camera phones and calling mainly friends and family. Mobile has become a symbol of modernity, fashion, social relationship and lifestyle of the youth.

Youth and Apparel

The apparel, since the ages, has been the ultimate symbol of pride and honor. Subsequently it became a key indicator of social status, particularly in the upper echelons of society. Apparel form an integral part of the personality of individuals in the present era. The tendency of youth to look best and different compels them to shop more and more apparel. Each occasion or event they feel necessary to purchase a new pair of apparel. One of the major facts behind this shopping might be availability of huge variety in design, texture and color in all India, Western, Indo-Western fit. Also shopping gives much pleasure can be the other factor.

Data Analysis, Interpretation and Discussion

Purchase Behavior of Youth towards Online Shopping

India is becoming more and more internet friendly which is leading them towards online shopping. The youth respondents were asked about their preferences in purchasing lifestyle products i.e. apparel and mobile phones online. In this study by asking following two questions researcher has tried to understand a little about purchase behavior of youth consumer towards online shopping. The question has been asked to the respondents that

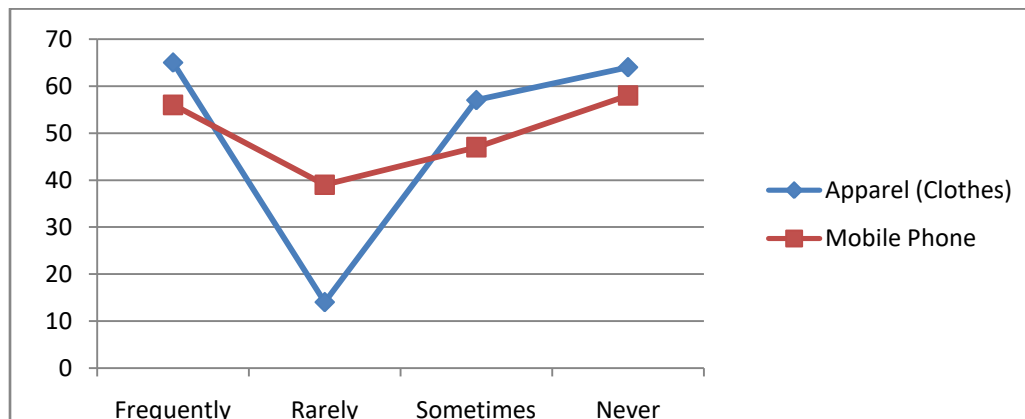
Que. 1. Do you purchase lifestyle products online from the internet?

Apparel : a. Frequently [] b. Rarely [] c. Sometimes [] d. Never []

Mobile Phone : a. Frequently [] b. Rarely [] c. Sometimes [] d. Never []

Table 1.1: Purchase Behavior of Youth towards Online Shopping

Options/Products	Apparel (Clothes)	Mobile Phone
Frequently	65	56
Rarely	14	39
Sometimes	57	47
Never	64	58

Graph 1.1: Purchase Behavior of Youth towards Online Shopping**Statistical analysis & interpretation in product purchase behavior towards online shopping**

Mobile Phones: The option which got highest points as 58 here is Never and followed by Frequently with the marking 56. Second last place is occupied by Sometimes with 47 points. Rarely is least with 39 points.

Apparel: As expected here Frequently got prime position with the points 65 and Never got second rank with 64 points which was of negligible difference. It followed by Sometimes with exiting 57 points. Lastly Rarely stood with 14 points.

Interpretation

After seeing this table it can be inferred that the youth consumer prefers various shopping online and equally do not shop online. Because both options scored near about same figure. Unbelieving but in both the products i.e. mobile phones and apparel Option Rarely got last position and Sometimes got second last positions in the responses given by the youth consumer. Therefore somewhere it is true that Indian market is being penetrated in online shopping.

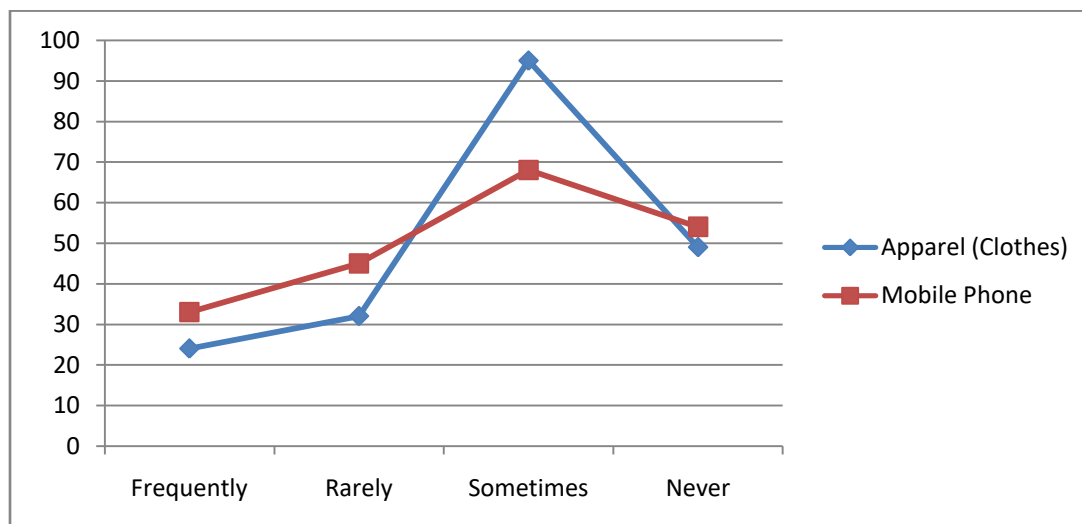
Que. 2. Reason for shopping products online from the internet?

- Apparel : a. Wide variety of products [] b. Shopping at home []
 c. Comparative purchase [] d. Status Symbol []
- Mobile Phone : a. Wide variety of products [] b. Shopping at home []
 c. Comparative purchase [] d. Status Symbol []

Table 1.2: Reason for Shopping Products Online by the Youth

Options/Products	Apparel (Clothes)	Mobile Phone
Wide variety of products	24	33
Shopping at home	32	45
Comparative purchase	95	68
Status Symbol	49	54

Graph 1.2: Reason for Shopping Products Online by the Youth



Statistical analysis & interpretation in Reason for Shopping Products Online

Mobile Phones: The option which got highest points as 95 here is Comparative Purchase followed by Status Symbol with the marking 49. Second last place is occupied by Shopping at Home with 32 points. Wide Variety of Products is least with 24 points.

Apparel: Similarly Comparative Purchase got highest points as 95 here also which is followed again by Status Symbol with the marking Status Symbol. Second last place is occupied by Shopping at Home with 45 points. Wide Variety of Products is least with 33 points.

Interpretation

In both the cases of lifestyle products it has been seen that the major reason of online shopping is Comparative Purchase. As youth consumer is able to see a number of retailers available online they compare the products on various criteria therefore they find online shopping very easy. Other three factors are there in the queue as status symbol, shopping at home and wide variety of products.

Suggestion

As results showed Indian youth is in the growing phase of online shopping. Therefore online retailers have an excellence potential in Indian online shopping market in Mobile and Apparel segments. Based on the result researcher suggest that all retailers must have their own online shopping portal. They may get associated with those retailers who keep multi-brands successfully running their online shopping portal.

Area for Further Research:

1. The researcher has opted only youth for this stud. A separate questionnaire may be prepared for other age group.
2. The study is conducted only in Madhya Pradesh. It can be conducted in any other geographical area.
3. Study is limited to apparel and mobile phones. One can study with different products.

Conclusion

As per on interpretation it can be concluded that the youth consumer today wants to live a high tech lifestyle. It can be said that for the mobile and apparel industry, time seems in favor of online shopping. Because of new attractive reforms of FDI, penetrated internet connectivity made very easy for the youth consumers to get up-to-date. One can easily keep eye on the current world wide scenario in mobile and apparel products. The new generation, encompassing today's teenagers, has never had it so good. It has observed that despite having different shopping destinations around the corner the Indian youth is interested in shopping online for their lifestyle products. A common trend has been observed in all metros where the study been conducted. In both the products which have been opted for the study got almost similar results. These results have been discussed and interpreted above.

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