

A Review On Changing Online Buying Behavior Trends Due To Youth Oriented Demographics Of India

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Abstract: India is a booming economy with a trust in its demographics which has a majority of population between the age groups of 25-35 Years, with makes India as the youngest country in the world. Consumerism is the key to the GDP of the country where everything is done for the ultimate goal of achieving customer satisfaction and loyalty. Businesses today are focusing on consumer's changing behavior due to a demographic change in the economy. Youth today has exposure to multiple channels of products both online and offline which is changing the way the young consumer researches about and buys the product. This paradigm shift has led to understanding consumer's perspective from a different angle. This study focuses on reviewing the literature related to this perspective and analyzing the changes in consumer buying patterns due to a change in the demographics.

IndexTerms – consumer behvaiour, young age population, buying, demographics of India.

I. INTRODUCTION

With the rapid growth of e-commerce in India, online buying has increased over the years. Consumer behavior and buying trends have contributed to the Indian e-commerce sector to record astounding 85% growth in 2013. The e-commerce market in India will hold a good 6.5% of total retail market by 2023. (The ASSOCHAM report on ecommerce market in India 2013 – 2023). The trend is expected to continue as the e-commerce market in India is estimated to be worth \$16 billion in 2013 and is expected to touch \$56 billion by 2023, according to the latest ASSOCHAM report.

India's population has more than half of its population below the age of 25 and more than 65% below the age of 35. It is expected that, in 2020, the average age of an Indian will be 29 years, compared to 37 for China and 48 for Japan; and, by 2030, India's dependency ratio should be just over 0.4. Stated by India's demographic dividend (Basu, Kaushik 2007)

Online buying, today is not restricted to websites only, rather mobile app shopping has become the latest trend of the next 300 million Internet users to be added, more than 200 million are expected to be mobile Internet users.

This phenomenon will be abetted by the growing popularity and affordability of smartphones - the lowest priced smartphone is available today at Rs 3,000. M-commerce in India has already begun to gain traction. India's prominent m-commerce player, ngpay, has over 1.5 million registered users, who purchase products through their mobile phones. Their mobile mall, as they refer to it, has a daily footfall of 40,000-50,000 unique users, with about 15% of those making purchases with an average transaction size of about Rs 700.

The two major factors responsible for the boom in m-commerce in India are firstly easy availability of smartphones at reasonable prices and secondly the internet connectivity on mobile phones in India is very cheap and easily accessible. In India, more people own a smart phone as compared to a personal computer. The 3G users in India has been rapidly rising in its market and grew at a CAGR of 61.3% from 2013-17. There were approximately 82 million 3G subscribers in India by the end of 2014 and the number is projected to reach 284 million by end of year 2020.

India has the third largest Internet user base in the world out of which more than 50 per cent are mobile-only internet users. However, the Internet penetration in India at 19 per cent is quite low compared to other developed and developing economies.(Internet Live Stats, KPMG in India Analysis.

II. OBJECTIVES

The researcher aimed at studying and reviewing the changing trends in online buying behavior in India and its relation with the current and upcoming demographics of the country which are quite youth oriented and also understand how the growth of e-shopping effects the traditional shopping trends.

Demographics to be studied are the following:-

- Age
- Income
- Gender

III. CURRENT STATE OF THE LITERATURE

Researchers have studied consumer buying behavior over the years in order to understand buying trends and patterns be it online or in traditional way. Consumer behavior has been changing over the years with change in technology, income trends, standard of living etc.

Consumer behavior can be defined as the behavior that consumers demonstrate in search for, purchasing, using, evaluating and disposing of products and services that they expect will gratify their needs (Schiffman & Kanuk 2010).

The demographic profile of the sample studied indicates that majority of the consumers are young (with approx. 60% of the Sample between 18-35 years of age), with an income of over a lac per month (almost 50% earn over 12 lacs p.a.) and 36% respondents are at least a graduate. This indicates that the malls attract the middle as well as the upper classes in the catchment, highly educated and young crowd. (Mall Management: An analysis of customer footfall patterns in Shopping Malls in India, (Mamta Mohan, Kavita Tandon, 2015)

Convenience as well as other factors like price, quality and an exposure to wider selection influences the consumers' attitude towards online shopping (Delafroozn et al., 2009).

Convenience, Accessibility, Scope, Attraction, Reliability, Experience and Clarity were concluded to have a significant influence on online shopping in India (R Rishi J.B., 2008). Amin and Amin (2010) found that gender plays an important role in online shopping.

Features of e-shopping that are an advantage over traditional shopping ways:-

- Comfort: People today want comfort and time saving shopping which can be done through online channels sitting anywhere. M-commerce is even more convenient as shopping can be done through a mobile phone or tablet with an internet connection.
- Easy exchange policies provided by the online shopping portals.
- Attractive discounts and coupons available, which persuade people to buy stuff online.
- Easy and convenient payment options. Most preferred payment option ie., Cash on delivery makes e-shopping risk free as consumers can pay after getting the product at their doorstep.
- Home delivery: with the increase in traffic and parking problems, people prefer to buy stuff online with an easy option of home delivery.

Consumers can choose to focus on either the cost of search (e.g., saving time), or the benefit of search (e.g; saving money), or make a cost-benefit trade-off (e.g. balance time spent with money saved) (Le Clerc et al., 1995; Okada and Hoch, 2004) Perceived enjoyment of social e-shopping positively affected the attitude of consumers towards the website and caused a longer duration on the site. (Charles Dennis , Alesia Morgan , Len Tiu Wright and Chanaka Jayawardhena), The Influences of Social e-Shopping in Enhancing Young Women's Online Shopping Behaviour, 2010)

It is also seen that males and females have a different online buying behavior. For women in particular, shopping has been reported to be a leisure and social activity in which they are more involved (Bakewell and Mitchell 2004; Dholakia 1999) and can express love for families and their social network (Miller 1998; Miller et al. 1998). For young women, socialising and entertainment are as important a part of their shopping trips as are shopping for goods and services (Haytko and Baker 2004).

The three most common beliefs that consumers have about shopping online are that it saves time, saves money and helps find products that best match needs. (Effect of Consumer Beliefs on Online Purchase Behavior: The Influence of Demographic Characteristics and Consumption Values by Girish Punj, 2012.

IV. CONCLUSIONS

- It is also observed that e-shoppers also go and try out products in retail outlets and try to search the same products online to seek discounts and tend to buy them online after a tangible experience in the retail outlet.
- This is specially seen in-case of variety-seeking consumer behavior ie., when a buyer seeks variety of a particular product such as apparels, footwear, accessories etc.
- This also gives the researcher a motivation and idea to research on the effect of online discounts on the actual retail footfall.
- It is observed that online buying behavior is mostly common in youngsters as they have a good exposure and interest in e-shopping. This gives the researcher, motivation to study deeper into such consumer buying trends.
- Young consumers today are exposed to a variety of reviews in order to check the authenticity of the brands and their products.

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