



## YOUNG CONSUMERS' ONLINE SHOPPING PREFERENCES WITH SPECIAL FOCUS ON FAMILY INCOME, ORIGIN AND GENDER IN VISAKHAPATNAM CITY

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### Abstract

Online shopping, especially among the youth, has become the order of the day. In spite of rising prices and business fluctuations, firms with e-commerce channels or exclusive e-commerce companies are showing growth. According to few earlier studies almost 80% of the businesses of today have both physical and online presence. Online shopping is one such unique buying decision of a consumer who is not just guided by want and ability to pay but should also have to have the knowledge on how to buy it and the procedure that needs to be followed using information technology. Online shopping is an emerging market especially in tier II towns like Visakhapatnam in India. Here the buying capacity is plenty but the scope for creating demand for online shopping is a problem, because of the low acquaintance with e-commerce and lifestyle habits. It is also important to observe the career options and influence of gender; this may be an indirect measure to understand the trends in preferences of youth and the influence of gender. Sample was taken from students of Visakhapatnam, but included students who had their origins from north coastal Andhra, Odisha and Chhattisgarh, A structured questionnaire has been designed specifically to elicit the opinions of students depending on objectives of the study. The primary data is collected from 220 respondents. Analysis was done using statistical tools like chi square and percentages.

Current study made an attempt to study the influence of gender, origin and family income on the youngsters' online buying preferences for various products through conducting a primary data survey. This study also analysed the social networking habits as a part of online shopping behaviour. Present study observed the behavior and preferences of young online shoppers, students between the age group of 18 and 22 years, who belong to Visakhapatnam and surrounding areas. Almost 80 percent of boys and 66 percent of girls of the total sample are having habit of online shopping and the life style habits of youngsters from both urban and town areas are almost similar. There is no significant influence of family income, gender and origin on internet usage and social networking habits of the respondents. Family income and origin is having influence on online shopping habit. Those who shop online, in terms of online shopping habit there is no significant influence of gender and online shopping habit but in terms of product preferences, there is a significant influence of gender.

**Key Words:** Online Shopping, Lifestyle, Social Networking, Product Preferences.

### INTRODUCTION

Online shopping, especially among the youth, has become the order of the day. Being the world's youngest nation it is an advantage to Indian e-commerce firms to pay attention to this segment of the market. In spite of rising prices and business fluctuations, firms with e-commerce channels or exclusive e-commerce companies are showing growth. Major chunk of offline shopping is now shifting towards online shopping. According to few earlier studies almost 80% of the businesses today are a contribution from e-commerce. This is due to rising usage of internet and social networking among youngsters. The drive is likely to grow in the coming years, with projections to reach \$50-70 billion by 2020 ( Gyanendra, 2014). Young customers who have got education and access to internet prefer to shop online especially products which are necessary for their life style habits. Life style products of young generation are mostly clothes, shoes, cosmetics, jewelry, books, food, mobile phone expenditure, cinemas, etc. For any segment of the market, the buying behavior or preferences will be influenced by the origin or background of the customer, family income of the customer and demographic characteristics of the consumer. Many earlier studies in this area of research have showed that the perception of young online customers is specific to certain products and certain features of the channel through which they shop. And it is also found by many studies that buying decisions are not significantly influenced by the general buying behavior attributes like price, income, perceptions towards online shopping, etc. With the advent of internet and various ways of accessing this facility like PCs, mobile phones, i-pads and tablets the access to online shopping is made more easy. Many studies also showed that doing business online will cut the cost to company and this in turn will add value to customers in the form of cheaper prices and reach.

The tremendous jump in use of internet by the customers in younger age bracket in India has provided a promising future for online retailers. The majority of the companies are operating their on-line portals for sale of both products & services. The reason is to combat the marketing costs, and subsequently bring down the prices of their products and services to continue



their position in the future market. Earlier the Indian customers were attracted more towards electronic gadgets and mobile phones for online shopping but now the products indicative of lifestyle, viz., watches, apparels, perfumes, beauty products are in high demand through this medium. The market is now developing for books, home and kitchen appliances, accessories like jewelry, etc. Around 75% of Indian internet users who shop online are in the age group of 15 to 34 years.

### SIZE OF E-COMMERCE INDUSTRY

E-Commerce or electronic commerce, deals with the buying and selling of goods and services, or the transmitting of funds or data, over an electronic platform, mainly the internet. Various e-business transactions are business-to-business; B2B, business-to-consumer; B2C, consumer-to-consumer; C2C, consumer-to-business; C2B or newly emerged model business-to-business-to-consumer-B2B2C. E-Commerce processes are conducted using applications, such as email, fax, online catalogues and shopping carts, electronic data interchange (EDI), file transfer protocol and web services and e-newsletters to subscribers. E-Travel is the most popular form of e-Commerce, followed by e-Tail which essentially means selling of retail goods on the internet conducted by the B2C category. Globally, B2C, e-Commerce sales have improved by 24% over the sales of 2012. This reflects the huge hidden potential of e-Commerce by retail companies, both in their country of origin and other countries. According to Forrester Research, an independent technology and market research firm, about 16% of India's total population was online in 2013 and of those only 14% i.e., 28 million were online shoppers. It indicates the potential demand and India's budding or emerging online retail shopping. As per the study conducted by PricewaterhouseCoopers (PWC), in India, e-Travel is occupying a major portion within online business; it is about 70% of the total current e-Commerce market. Between 2009 and 2014, e-tailing sector demonstrated a quick growth and has got a cumulative average growth rate for about 56 percent. The size of the e-Tail market is anticipated at 6 billion USD in 2015. Major products which are in more demand are books, accessories, apparels and electronics through e-Tailing, constituting around 80% of product distribution. The increasing use of smartphones, tablets and internet broadband and 3G has led to developing a strong consumer base likely to increase further combined with a larger number of homegrown e-tail companies. A significantly low (19%) but fast-growing internet population of 243 million in 2014 is an indicator of the sector's huge growth potential in India.

Another important factor which, is contributing for the growth of e-Commerce is increasingly attracting customers from Tier 2 and 3 cities and is expected to rise between 30% and 50% in transactions. Consumers of these areas have limited scope to buy brands and have high aspirations and have got access to mobile phones. One of the important facilitator for online shopping is mobile phone. In India, mobile subscriptions have jumped from 261 million to 910 million between 2007 and 2014. Along with mobile connectivity, internet penetration is mounting in rural and urban areas of India and the number of rural internet users is rising 58% per annum. The study of PwC, 2015 also reported that, e-Commerce industry is fast growing; changes are expected in the coming year. According to the study, the e-commerce sector in India has grown by 34% since 2009 to predict to reach 16.4 billion US dollars in 2014 and further to 22 billion US dollars in 2015. Books, apparel and accessories and electronics are the largest selling products through e-tailing, constituting around 80% of product distribution.

### REVIEW OF LITERATURE

India is a prospective and lucrative market for e-commerce players. India is also anticipated to be the third major e-commerce marketplace in the world following the US and China (Leslie, 2014). There are many factors that would motivate a consumer towards online purchase - access to detailed information, competitive prices, greater choice and convenience as studied by Kumar, Lang & Peng, 2005, Zhou, Dai & Zhang, 2007. In general, online shopping is significantly influenced with the recommendations by the reference groups, family members and peers (Foucault & Scheufele, 2002). Studies also reveal that gender, age, income level and educational qualification are significant factors which influence how one would use and adopt technology (Slyke et al., 2005). Shergill and Chen (2005) conducted a study on 'Web-Based Shopping: Consumer's Attitudes Towards Online Shopping in New Zealand' and study found that regular web buyers were much more satisfied with all website variables than trial web buyers. Sorce P. et al. (2005) found that younger consumers searched for more products online and they were more likely to agree that online shopping was more convenient. This study was conducted on behaviour of youth in Malaysia. A study by Khre et al. (2010) examined the relationship between innovativeness and novelty seeking young Indian consumers in the age group of 18 and 24 years towards online shopping and found the correlation as positive due to the factors like online shops provide information about various products and services, and they also found that youngsters are showing interest in online shopping due to the flexibility and convenience. Chowdhury and Ahmad (2011) conducted a study on 'factors affecting consumer participation in online shopping in Malaysia'. The major focus of the study was to describe the relationship between independent variables and dependent variable using Pearson's correlation method. The study found there is a significant role of trust in students for online shopping. Yulhasri, Islam and Daud (2011) conducted a study on 'Factors that Influence Customer's Buying Intention on Shopping Online'. The variables that were tested included usefulness of internet shopping, ease of use, compatibility, privacy, security, normative beliefs, self-efficacy,



attitude and student's buying intention. It was studied that web advertising favorably influences the purchasing of a company's products. Karim (2013) conducted a study on online shopping behavior of customers and observed that online vendor's assurance on transaction security, avoidance of long delays in completing online orders and the less hassle for returning goods will have better customer base for online shopping. Morris (2013) conducted a study on 'More Consumers Prefer Online Shopping' Shoppers increasingly want to combine online and brick and mortar browsing, shopping, ordering and returning in whatever combo they would like. Pankaj Maru (2013) in his report mentions that 67% of e-shoppers in India refer to social media before buying online.

Most of the existing research papers focused on perception and the attributes of online shopping behavior of young consumers. Current study made an attempt to study the influence of gender, origin and family income on the youngsters' online buying preferences for various products. Also found out the social networking habits as a part of online shopping habit.

### **SIGNIFICANCE OF THE STUDY**

According to Dr. B. J. Casey (2008), youngsters are very quick and accurate in making judgments and decisions on their own provided there is some time to think. Nevertheless, when they have to make decisions in the heat of the moment or in social situations, their decisions are often influenced by external factors like peers. Most of the empirical research conducted in exploring online shopping behavior had not focused on shopping behaviour of youth in particular. Youth account for the major share of online consumers. Butler and Peppard (1998) study found a correlation between the age and Internet shopping. Another study by Slyke et al., reveal that more than 40% of online consumers are between 20 and 49 years of age (Slyke et al., 2005). According to Mubin (2012) youth are the dominant portion of online buyers. Recent statistics of PWC (2015) showed that, in India major online shoppers are between 19 and 34 years of age and this group comprises of 37% of online buyers. An analysis of the demographic profile of internet users further testifies that e-Commerce will rise rapidly in India in coming years. Around 75% of Indian internet users are in the age group of 15 to 34 years. This category shops more than the remaining population. Peer pressure, rising aspirations with career growth, fashion and trends encourage this segment to shop more than any other category and India, therefore, clearly enjoys a demographic dividend that favours the growth of e-Commerce. In coming years, as internet presence increases in rural areas, rural India will yield more e-Commerce business.

### **PROBLEM STATEMENT**

Online shopping is one such unique buying decision of a consumer who is not just guided by want and ability to pay but should also have to have the knowledge on how to shop online. As online shopping is an emerging market, tapping the market and the scope for creating demand for online shopping is a problem, because of poor usage of information technology. But when it comes to young consumers, there is a possibility to capture the untapped market. These young people of rural markets or towns travel to tier II cities for their education and career aspirations. So, it is important to observe the young people's career options and the effect of gender on these decisions. This may serve as an indirect measure to understand the trends in preferences of youth and the influence of gender and origin on online shopping in tier II cities like Visakhapatnam. Visakhapatnam is an education hub; it caters to the educational requirements of the nearby towns in north coastal Andhra, Odisha and Chhattisgarh. So it is important to understand the student online shopping and internet usage behavior from the place where they belong to rather than where they are currently located. The present study made an attempt to observe the behavior and trends of young consumers towards online shopping and who are studying in Visakhapatnam, India. As understood from the review of literature, factors such as social network marketing, internet surfing, quality website etc., are sources through which internet marketing companies persuade consumer's choice of buying online. But what is important is to understand the segmented behavior of the Indian online shoppers. In the current study, market is segmented based on family income, gender and the place where the buyers belong to; either town or city. The study has tried to find out the spending habits of youth and their online shopping preferences based on the income, origin and gender.

### **METHODOLOGY**

The study is mainly an empirical one and the variables used are both quantitative and qualitative in nature and the study is based on primary data. A structured questionnaire has been designed specifically to elicit the opinions of students depending on objectives of the study. The primary data is collected from 220 respondents. Analysis was done using statistical tools like chi square and percentages.

#### **Primary Objective**

1. To study the influence of gender, origin and income on online shopping culture.
2. To study the influence of gender, origin and income on preference of products.

### Secondary Objectives

1. A study on career aspirations among educated youth and the influence of gender.
2. Social networking habits among educated youth and the influence of gender on the preference of the network.

### Null Hypothesis

1. Income does not have an impact on online shopping habit.
2. The place from where student hails has no influence on the online shopping habit.
3. Gender does not influence the product preferences of young consumers.

### ANALYSIS

Youth of today portray different picture of buying behavior when compared to general buying tendency of a consumer in general. As the theory of demand and general marketing principles have explained the dependency of online buying behavior is a more macro perspective better understood if the comparison is made in terms of socio-economic segmentation and the lifestyle. The major reasons are the changing culture, the effect of education on the knowledge and information, exposure to internet and social network media.

To understand the influence of origin, gender and family income of the young consumers on their online shopping and lifestyle habits, it is necessary to know the ability to shop online. Few important indicators of this ability are education and usage of internet, this information can be elicited form the student's career aspirations and the social networking preferences. As primary objective in this direction the career aspirations of the respondents are elicited to understand the type of the sample and the similarities in the group and their internet habits. Another indicator of eliciting the interest in shopping among the youth is to understand the expenditure pattern and spending on various lifestyle habits.

#### 1. Career aspirations of young respondents

In the sample both boys and girls showed the same interest towards education and their career aspirations. This information provides the online shoppers the knowledge and ability of the youngsters to shop online. For the details see table 1.

**Table – 1 Education and Career Aspirations**

Gender	IT	Mfg.	Entrepreneurship	India	USA	Others
Boys	19	12	25	31	14	14
Girls	25	6	19	38	5	12
Total	44	18	44	69	19	26

Out of the sample of 220, 20% of the respondents (both boys and girls) opted for IT sector and entrepreneurship as their career option. Almost 31% of the students opted to stay in India compared to USA, to pursue their career. This is proved to be statically significant.

#### 2. Usage of Internet

Both boys and girls in the sample are using the internet and the influence of origin or the place from where these students belong to (city or town) is not having a significant influence on the usage of internet or habit of using the internet. (refer table - 2 )

**Table – 2 Origin and gender wise Usage of Internet**

Place/Origin	Girls		Boys	
	Yes	No	Yes	No
City	68	7	49	12
Town	26	5	43	11
Total (No.S)	94	12	92	23
City (%)	91	9	80	20
Town (%)	84	16	80	20
Total (%)	89	11	80	20

#### 3. Social networking habit

For online shopping and buying decisions most of the people resort to the reviews on the social network. So preference of this section of students as their preferred social network mostly opted for Facebook. It is found be significant in case of boys where income is having its influence on preference of social network sites.

**Table – 3a Income wise and gender wise Social Networking Preference**

Social Networking	Less than 20k			20k-30k			30k-40k			above 40k			Grand Total
	Girls	Boys	Total	Girls	Boys	Total	Girls	Boys	Total	Girls	Boys	Total	
Facebook	25	24	49	25	25	50	12	19	31	24	22	46	176
Twitter	0	3	3	3	5	8	1	2	3	5	5	10	24
other	5	3	8	3	3	6	0	1	1	2	3	5	20
<b>Total Nos.</b>	<b>30</b>	<b>30</b>	<b>60</b>	<b>31</b>	<b>33</b>	<b>64</b>	<b>13</b>	<b>22</b>	<b>35</b>	<b>31</b>	<b>30</b>	<b>61</b>	<b>220</b>
Facebook	83	80	82	81	76	78	92	86	89	77	73	75	80
Twitter	0	10	5	10	15	13	8	9	9	16	17	16	11
other	17	10	13	10	9	9	0	5	3	6	10	8	9
<b>Total %</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Table – 3b Place wise Networking Preference**

Social Networking	City	Town	Girls total	City	Town	Boys total	Grand total
Facebook	62	24	86	46	44	90	176
Twitter	7	2	9	12	3	15	24
Others	6	4	10	3	7	10	20
Total (no.s)	75	30	105	61	54	115	220
Facebook	83	80	82	75	81	78	80
Twitter	9	7	9	20	6	13	11
Others	8	13	10	5	13	9	9
Total (%)	100	100	100	100	100	100	100

With respect to usage of social media and internet usage both boys and girls showed same behavior. Both the categories of respondents preferred more of Facebook network over twitter and other social media channels. And there is no significant effect of income wise distribution of boys and girls in the preference of social media networking and internet usage. In terms of gender based preference of students from different origins, students who belong to cities and towns, boys showed a significant behavior in choosing the network, which is not proved significant in case of girls. Boys in the city area showed significant preference towards Facebook followed by twitter than the boys from the town areas as their preference.

#### 4. General spending habits

General lifestyle spending habits of the young respondents is not statically significant in terms of income variations within each gender group. Almost all the category respondents who belong to towns and rural areas, who are studying in Visakhapatnam, showed the same interest in life style habits and spending. Review of the spending data reveals that, students spend more on mobile phone recharge and films, food, cosmetics, and apparel shopping. Spending expenditure in the low bracket (about 37% people of total 220 respondents) of less than 1000 rupees per month, is students spend more on mobile recharge and films. Those who spend between 2000 and above per month spend more on food, apparel shopping and cosmetics. There is no any significant influence of origin on spending. For the details see table – 4.

**Table – 4 Origin-wise Monthly Expenditure Pattern (Rs. per month)**

Preference	below 1000			1000-3000			above 3000		
	city	town	Total	city	town	Total	city	town	Total
food	29	13	42	46	15	61	0	3	3
films	55	27	82	20	4	24	0	0	0
cosmetics	44	26	70	31	5	36	0	0	0
shopping	31	15	46	25	13	38	19	3	22
recharge	56	25	81	19	6	25	0	0	0
No. of respondents	134	86	220	134	86	220	134	86	220
<b>% terms</b>									
food	22	15	19	34	17	28	0	3	1
films	41	31	37	15	5	11	0	0	0
cosmetics	33	30	32	23	6	16	0	0	0
shopping	23	17	21	19	15	17	14	3	10
recharge	42	29	37	14	7	11	0	0	0

## 5. Online Shopping

In this section the research paper focused on online shopping behavior and preferences of the respondents.

I. Out of 220 respondents, 67% of the respondents shop online and others prefer off line. Out of these 67% of the online shoppers, 5% are boys and 45% are girls. Out of students who do not shop online (33%) , 53% are girls and 47% are boys. For the details see the table – 5a.

Gender	Total	Yes	%	No	%	Total
boys	115	81	70	34	30	100
%		55		47		
girls	105	66	63	39	37	100
%		45		53		
Total-Numbers	220	147		73		
Total-% share	100		100			

For the entire sample of 220 respondents, about 70 percent of students are having the habit of online shopping. Within the students who do online shopping, there is a significant influence of income and origin. But, gender is not having a significant influence on online shopping habit. For the details see tables 5b and 5c. Those who do shopping online in the town mostly belong to the 20k to 30k, approximately 44% of the sample respondents shop online belong to this group. Where as in cities, high income group (above 40K) respondents, about 35% shop online. It is followed by above 20K group with 28% of the respondents. In terms of income out of 147 students who shop online, about 80% belong to the income group of above 20 k and people who do not shop online about 38% belong to below 20k monthly income, followed by above 40K group.

**Table- 5b Online Shopping Habit (Income Wise)**

Family Income (Per Month)	Yes		No		Total	
	No.s	%	No.s	%	No.s	%
below 20k	32	22	28	38	60	27
21k-30k	50	34	12	16	62	28
31k-40k	23	16	12	16	35	16
above 40k	42	29	21	29	63	29
Total	147	100	73	100	220	100

**Table – 5c Income wise distribution of Online Shopping Habit of students within the city and town area**

Family Income (Per Month)	Town		City		Total	
	No.s	%	No.s	%	No.s	%
below 20k	14	28	18	19	32	22
20k-30k	22	44	28	29	50	34
30k-40k	6	12	17	18	23	16
above 40k	8	16	34	35	42	29
Total	50	100	97	100	147	100

## 6. Product Preference

It is important to understand the preferences of the student/ young buyer community and the influence of family income and gender on the product preference. As shown in the following table – 6a both boys and girls buy more of clothes (44% and 31%), footwear 39% and 29%). Comparatively, boys are buying more clothes and footwear compared to girls . In case of cosmetics, 19% girls prefer to buy online, where as 10% of boys prefer to buy online. In case of Jewelry, only girls prefer to buy more than boys. As far as books are concerned there is very meagre response, out of those girls prefer to buy (9%) books more than boys (4%). To conclude, there is a significant influence of gender on the product preference.

**Table – 6a Gender-wise Product Preferences\***

Gender	Clothes (a)	Shoes (b)	Cosmetics (c)	Jewelry (d)	Books (e)	Total
Boys	35	31	8	3	3	80
%	44	39	10	4	4	100
Girls	24	23	15	10	6	78
%	31	29	19	13	8	100
total	59	54	23	13	9	158
%	37	34	15	8	6	100

Within each income group, there is a significant influence of income on product preference. Within low income group category, 50% of consumers prefer more of clothes followed by cosmetics and shoes. Whereas in the relatively higher income groups between 20k and 30K, consumers prefer footwear followed by clothes. In the group of 30 and 40k, 43% of the consumers prefer shoes followed by cosmetics with 26% of the consumers. In the above 40K group, 44% of consumers prefer clothes and 38% consumer prefers shoes.

**Table-6b Distribution of Product Preferences within each Income group**

income	Variable Values						Percentages					
	a	b	c	d	e	Total	a	b	c	d	e	Total
below 20000	19	6	8	5		38	50	16	21	13	0	100
20k-30k	18	21	6	5	2	52	35	40	12	10	4	100
30k-40k	2	10	6	1	4	23	9	43	26	4	17	100
above 40k	20	17	3	2	3	45	44	38	7	4	7	100

As shown in the table below – 6c, within the boys most of the respondents prefer clothes in the low income bracket, whereas above 20K groups respondents showed interest in buying shoes and cosmetics. In the girls group below 20K income category about 40% students showed interest in buying cosmetics. In the high income category most of the respondents showed interest in buying clothes and footwear. Family income is having a strong impact on the product preferences of boys and girls within each category.

**Table – 6c Income wise distribution of Product Preferences within each gender group**

Gender	Family Income (Per Month)	Variable Values					%share				
		a	b	c	d	e	a	b	c	d	e
Boys	below 20000	17	4	2	0	0	49	13	25	0	0
	20k-30k	10	11	2	1	0	29	35	25	33	0
	30k-40k	1	5	2	1	3	3	16	25	33	100
	above 40k	7	11	2	1	0	20	35	25	33	0
	Total Boys	35	31	8	3	3	100	100	100	100	100
Girls	below 20000	2	2	6	5	0	8	9	40	50	0
	20k-30k	8	10	4	4	2	33	43	27	40	33
	30k-40k	1	5	4	0	1	4	22	27	0	17
	above 40k	13	6	1	1	3	54	26	7	10	50
	Total Girls	24	23	15	10	6	100	100	100	100	100

Following table – 7 presents the data of the statistical significance of each parameter in terms of online buying habits and product preferences.

**Table – 7 ,Statistical Values of the parameters**

Sl.No.	Parameter	Income, gender and origin wise Cross tabs	R value*	Remarks
1	Internet Usage	Origin wise	Girls -0.3151 Boys - 0.9255	Not Significant
2	Social Network preference (Income wise)	Less than 20k	0.172009756	Not Significant
		20k-30k	0.803350773	Not Significant
		30k-40k	0.187732247	Not Significant
		above 40k	0.187732247	Not Significant
3	Social Network Preference	Girls – Origin wise	0.658236352	Not Significant
		Boys – Origin Wise	0.036099178	Significant
4	Life style – Spending habits (Origin Wise) Monthly Expenditure	Less than 1k	0.939	Not Significant
		2k-3k	0.291	Not Significant
		above 3k	(#DIV/0!)	Not Significant
5	Online Shopping- habit	Gender wise	0.233162	Not Significant
6	Online Shopping Habit	Income and region	0.038283	Significant
7	Online shopping habit	Income wise	0.0163	Significant
8	Product Preferences	Gender wise	0.0386	Significant
9	Product Preferences	Income wise - Boys	0.00135	Significant
10	Product Preferences	Income wise- Girls	0.00515	Significant
11	Product Preferences	Income wise -Total	0.00972	Significant

\*R Value should  $\leq 0.05$  at 5% probability and 1 d/f

## CONCLUSION

To conclude, online shopping behavior of young consumers depends on their acquaintance with internet and the influence of peer group through various channels, especially social network. In case of consumers belonging to towns and low to middle income category their preferences are different as compared to high income groups and gender variation. As observed from the findings, it is understood that products like clothes are mostly shopped online by middle income category consumers. This behavior can be attributed to the spending habits and non-availability of brands and variety in the towns and tier II cities. High middle income consumers prefer more of semi luxury items like shoes and cosmetics, and they are relatively income elastic. In case of products like books, the preference is very low in any category or in any gender group; it is mostly the willingness that plays a vital role in creating demand for books and other than subject books young consumers do not prefer general reading books.

## RECOMMENDATIONS

1. Online stores have to keep in mind the range of products which are to be displayed according to the place of the buyer, within the region.
2. Online stores which are aiming to capture the buyer from countryside and tier II cities should modify the range of the products and should include more of clothes and footwear, especially shoes at affordable price.
3. Young consumers may have got the acquaintance to use the internet and may not have the access to online payments, so it is better focus more on COD kind of sales.
4. Facebook is the social network where most of the tier II cities students engaged with, advertisements and reviews will definitely leave an impression about the online shopping experience.
5. To encourage girls to shop online, the product range of cosmetics and jewelry can be given more priority along with clothes.
6. Using offline shopping habits as an indicator, price bundling can be planned with mobile recharge free coupons or free movie tickets, etc for town based consumers. For city based higher middle income category consumers, food (restaurants or food joints) coupons or film tickets can be added in the bundle.





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