

Online Purchasing Behavior of Millennials Based at Hyderabad – A Study

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Abstract

Gone are the days where customers had to depend on brick and mortar stores for their purchases by visiting the local store, today online purchasing is witnessing phenomenal change. This study is inclined to learn how the demographic shift is shaping the purchase behavior especially of “Millennials” who are trending towards more conscientious decisions in terms of the products they buy online, and the self-awareness of the social and environmental implications behind them. As there are many forces which are driving them such as social conscious, fashion conscious, time conscious, wider promotions of retailers and so on. It is evident that online marketing is the way to the future, it is important that online store managers take note of the factors which shape the future online customers purchase intentions. This paper empirically analyses the purchase behavior of “Millennials”, the factors driving them towards their purchase intentions and behavior.

Keywords: Retailing, Promotion, Customer, Online Stores, Groceries

Introduction

The predictions say that by 2025, Millennial will account for 75% of the global market. Consumers are not willing to pay more for sustainable fashion and would rather pay more for style, quality and fashion which gives them value for money as quoted by Susanna Koelbin, business development manager, textiles, with the Eastman Chemical Company in 2019 in her posts. It was also found that Millennials care much more about a product's brand name and uniqueness than its actual sustainability.

Review of literature

Cebulsky, Gunther, Heidkamp & Brinkman, (2018) the environment is containing so much information since they were born that their brain has adapted to that. Consequently, they are very selective when it comes to going deeper, being patient and thoroughly getting to know something. They are expecting to get all the information needed to make a certain decision in a sentence or two, unless they are genuinely interested in the information.

Mangold & Smith(2012) observed in their study that Millennial trust a website or a product, after consulting their peers for the same. This was seen in a study on online users in France, where peer reviews for video games influenced the consumers' purchasing decisions positively. Also the online peer reviews also influenced the reviews of experts and peers.

According to Deal, Altman, and Rogelberg (2010), mentioned in their study that millennial tend to be individualistic, but still work well in a team environment. In accordance with their ethnic diversity, they also tend to celebrate diversity in general and write their own rules.

Fishbein & Ajzen (1975) have used the relationship between cognition, intention and behavior as a basis for the theory of reasoned action and have concluded that the purchase intentions are jointly determined by the person's attitude and subjective norm concerning the behavior and intentions predict behavior. It has also been demonstrated that there is a significant correlation between usage and behavior intentions

East, Hammond & Wright (2007) examined the positive WOM which has been found to be three times more frequent than the negative WOM. The marketers try to induce consumers to spread the word about their products. For the same, the organizations pay cash, points or some other form of recognition (Bazaar Voice, 2011). Even in this study the word of mouth has been examined but the same is not examined from the perspective of the Millennial.

Wong (2010) mentioned in their study that millennial also represent an influential group of consumers since they exhibit almost \$69 billion of annual spending.

Objectives of Study

1. To study the present scenario of growth perspectives of online purchasers.
2. To analyze the factors those affects Millennial online purchase behavior.

Hypothesis of Study

H₀: Products purchased by Millennials are independent of their occupation in online shopping

Research Methodology

The study used exploratory research to examine the online growth perspectives and "Millennial" online purchase behavior.

Sample Design

Sample Size = 100 using Simple Random Sampling

Tools for data collection: Both primary and secondary data were used in the study.

Primary data: To obtain the primary data, a survey was conducted among the store employees through a structured questionnaire. The respondents were asked to rate different items using a 5-point Likert Scale where 5 indicates Strongly Agree while 1 represents Strongly Disagree

Sample size Calculation

Researcher was intended to study analyze the factors those affects Millennial online purchase behavior at Hyderabad area only. Population of the study was restricted to users as well as non-users of products purchased through online shopping. Samples for each population were being selected as per exploratory sampling method. As exact population is unknown here research has used Krejcie and Morgan formula of sample size calculation for infinite (unknown) Population

$$N = \frac{X^2 p (1-P)}{D^2}$$

$$N = \frac{(1.96^2 * 0.5 (1-0.5))}{0.1^2} = 96.04 \text{ (Round 100)}$$

Here X= 1.96 for 95% confidence level, P= 0.5 and d = 0.1

Sample size calculated for study was 100 respondents (Millennials). Primary data was collected with the help of well-structured Questionnaire along with personal interview. Secondary data was collected from Journals, Newspapers, Text Books, Magazines, and websites. A well-structured objective type and probing questionnaire was prepared. To collect personal views and to investigate the practical aspect, personal Interview and observation technique was used. The Information collected during data collection was coded first and tables were generated, analyzed and interpreted. On the basis of findings based on tabulated information and Observations during data collection, conclusion was drawn

Limitations of the study

1. One of the limitations of the study could be that all respondents are from Hyderabad only, thus there may be a problem of generalization and bias.
2. Time is one of the limiting factors

Data analysis and Interpretation

Table-1

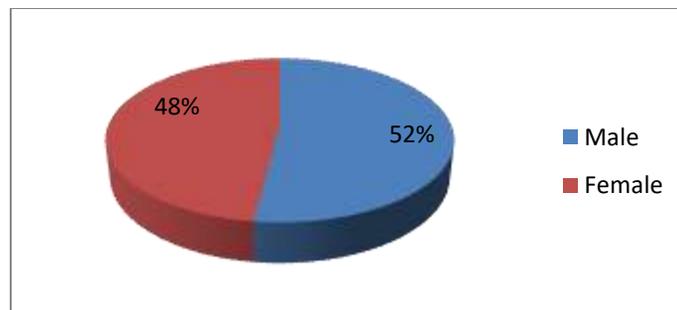
Gender –wise demographic divide

	Respondents	(%) Respondents
Male	52	52
Female	48	48
Total	100	100

Source: The figures are compiled from primary data

Figure-1

Gender –wise demographic divide



Source: The figures are compiled from primary data

Table-2

Life styles of Millennials-We represent a seismic shift in media consumption habits and patterns

	Respondents	(%) Respondents
Strongly Agree	25	25
Agree	50	50
Neither or Nor	15	15
Disagree	8	8
Strongly Disagree	2	2
Total	100	100%

Source: The figures are compiled from primary data

Interpretation

The table above depicts about The lifestyles of Millennials with regard to the parameter “we represent seismic shift in media consumption habits and patters” 25 percent respondents mentioned as strongly agree, 50 percent mentioned as agree, 15 percent mentioned as neither or nor, 8 percent mentioned as disagree i.e., 2 percent mentioned as Strongly disagree. Majority have positively.

Table-3

Life styles of Millennials-We want portable content

	Respondents	(%) Respondents
Absolutely true	60	60
true	18	18
Neither or Nor	6	6
Somewhat true	12	12
Not at all	4	4
Total	100	100%

Source: The figures are compiled from primary data

Interpretation

From the above table pertaining to The lifestyles of Millennials with regard to the parameter “we want portable content” 60 percent respondents mentioned as Absolutely true, 18 percent mentioned as true, 6 percent mentioned as neither or nor, 12 percent mentioned as somewhat true and remaining 4 percent mentioned as Not at all.

Table-4

Life styles of Millennials-We believe in collective achievements to be celebrated, and there is an expectation that everyone's contribution is recognized

	Respondents	(%) Respondents
Strongly Agree	62	62
Agree	20	20
Neither or Nor	10	10
Disagree	6	6
Strongly Disagree	2	2
Total	100	100%

Source: The figures are compiled from primary data

Interpretation

The table above depicts about The lifestyles of Millennials with regard to the parameter “We believe in collective achievements to be celebrated, and there is an expectation that everyone's contribution is recognized” 62 percent respondents mentioned as strongly agree, 20 percent mentioned as agree, 10 percent mentioned as neither or nor, 6 percent mentioned as disagree i.e., 2 percent mentioned as Strongly disagree.

Table-5

Life styles of Millennials-We use many forms of media simultaneously

	Respondents	(%) Respondents
Very true	60	60
true	18	18
Neither or Nor	6	6
Somewhat true	12	12
Not at all	4	4
Total	100	100%

Source: The figures are compiled from primary data

Interpretation

From the above table pertaining to The lifestyles of Millennials with regard to the parameter “we want portable content” 60 percent respondents mentioned as Absolutely true, 18 percent mentioned as true, 6 percent mentioned as neither or nor, 12 percent mentioned as somewhat true and remaining 4 percent mentioned as Not at all.

Table-6

Life styles of Millennials-We expect that all information devices will support multitasking

	Respondents	(%) Respondents
Absolutely true	50	50
true	25	25
Neither or Nor	8	8
Somewhat true	15	15
Not at all	2	2
Total	100	100%

Source: The figures are compiled from primary data

Interpretation

From the above table pertaining to The lifestyles of Millennials with regard to the parameter “We expect that all information devices will support multitasking” 50 percent respondents mentioned as Absolutely true, 25 percent mentioned as true, 8 percent mentioned as neither or nor, 15 percent mentioned as somewhat true and remaining 2 percent Millennials based in Hyderabad mentioned as Not at all.

Table-7

Life styles of Millennials-We tend to believe that life should be fun and enjoyable

	Respondents	(%) Respondents
Strongly Agree	26	26
Agree	54	54
Neither or Nor	13	13
Disagree	5	5
Strongly Disagree	2	2
Total	100	100%

Source: The figures are compiled from primary data

Interpretation

The table above depicts about The lifestyles of Millennials with regard to the parameter “We tend to believe that life should be fun and enjoyable” 26 percent respondents mentioned as strongly agree, 54 percent mentioned as agree, 13 percent mentioned as neither or nor, 5 percent mentioned as disagree i.e., 2 percent mentioned as Strongly disagree.

Conclusion

It is concluded that majority of respondents (Millennials) are males with 52 percent which means there is a wide scope for women respondents to do online shopping. Marketers must provide heavy promotional blitz with greater scope for women respondents to reach out to online shopping with more discounts and huge attractive merchandize benefit to this segment.

With regard to the lifestyles of millennials, majority of millennials “believe in collective achievements to be celebrated, and there is an expectation that everyone's contribution is recognized” It means that they are gender integrated and team spirited with recognition. Followed by more priority to media or virtual gadgets with more social networking and peer reviewing with regards to their shopping behavior hence, it is concluded that these touch points to be connected with technology as these are tech savvy generation and has no time to spend

more on off line shopping and are not much concerned about the amount they spend but are conscious about environment and quality, From the findings it is also concluded that they love fun and enjoyable life.

References

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