ECOMM Trends of Indian Teenagers

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Abstract: E-commerce in India has been experiencing remarkable growth, successfully changing the way people transact. R. Chandrashekhar, the President of the software industry group Nasscom, said in New Delhi in March 2017, that while the journey to digitisation has begun, it is a matter of accelerating the pace at which it is happening. There is a World Bank report which says that a 10% increase in broadband penetration (in India) can lead to a 1.4% increase in GDP (gross domestic product), making Internet important for enhancing the growth of the economy."

E commerce has always intrigued me as an individual. Since the digitisation drive was initiated by the current Government, I was keen to study whether this affected my age group in terms of their visit frequency online. This inquisitiveness led to the formation of a questionnaire which focuses on collecting information on the current e commerce trends of Indian teenagers.

According to Google India, there were 35 million online shoppers in India in 2014 Q1 and was expected to cross 100 million marks by end of the year 2016. CAGR vis-à-vis a global growth rate of 8–10%. Electronics and Apparel are the biggest categories in terms of sales.

The study was conducted online through Google spreadsheet in the age group ranging between 13 years to 19 years over a period spanning two weeks.

Through this study findings, I could learn that currently, Amazon seems to be the favorite site for teenage shopping. It was surprising to find that Indian teenagers had been largely influenced by Advertisements towards online shopping.

The experience was a fruitful one with full of learnings.

INTRODUCTION

The growth story of India continues – a big growth story. To the extent of being as conservative as one can, the GDP is seen increasing from 6% to 7% a year with consumption expenditures expected to rise by a factor of three to reach $4 trillion by 2025. With a nominal year-over-year expenditure growth of 12% which is more than double the anticipated global rate of 5%, India will make the third-largest consumer market by 2025.

With the onset of the Modi government, digitisation drive is at its best in India. The web is now established as a mass market media channel for an average Indian. Transactions have to be routed through the internet only for most public utility departments.

The increasing use of digital technologies in buying and selling merchandise for convenience and mobility pushed e-commerce in India to an inflection point in 2016.

Teens live like mini adults as credit cards, easing banking services, multiple choice e commerce trends and ample allowances power their expenses on eating out, fashion accessories especially related to apparels, mobiles, tech driven gadgets and dating. This study was undertaken to study the current trends with respect to online shopping trends of Indian teenagers across various age groups and genders.

OBJECTIVES OF THE STUDY

1. To study E – com shopping trends of Indian teenagers with respect to time frequency of buyers, type of products, taste preferences, payment options and delivery services.

2 To analyse the difference if any in shopping trends with respect to gender in India

3. To find out which is the most preferred site and the related reasons.

4. To determine product preferences of online customers

5. To find out customer buying preferences of online versus offline shopping

6. To study e-comm shopping challenges of Indian teenagers

7. To suggest marketing strategies for the e-comm companies.

REVIEW OF RELATED LITERATURE

The increasing use of digital technologies in buying and selling merchandise for convenience and mobility pushed e-commerce in India to an inflection point in 2016.

While in terms of the base, India may be lower than China and other giants like Japan, the Indian rate of growth is way ahead of others. India's e commerce revenue is being driven by a young demographic profile, increasing internet penetration and relative better economic performance.

E-commerce had a standout year in 2015 when it grew in size — from $5 billion to $8 billion — and pervaded every aspect of our lives. In 2016, it will grow further and sink deeper into our lives, albeit in a different form. No doubt, more users will help companies build scale, but they will embrace a few changes

Here's a look at 7 key trends for the Indian e-commerce industry for the year 2016.

- **Fewer discounts:** Companies will go after profitable growth rather than wooing customers with deep discounts (in other words, running on losses). A bigger user base will just be the cue for companies to reduce discounts and focus on profitable growth. "Building scale won't be a challenge for the large players," says Sandeep Aggarwal, founder, Shopclues. Six of the large e-commerce players — Flipkart, Amazon India, Paytm, Snapdeal, eBay.in and Shopclues — together have about 85-90% of the e-commerce business in India.

- **Cash on Delivery to decline:** Cash on Delivery (COD), a preferred mode of payment for many customers, will decline as more and more people familiarise themselves with using payment wallets to shop and pay bills.

- **More transactions:** "There were 50 million transacting users in 2015. This year, it will be at least 75 million," says Rajan Anandan, managing director, Google -- South East Asia and India. He sees more users coming via smartphones. In China, for example, users browse on the desktop, but they transact via smartphones -- due to quicker linkages to payment gateways.

- **Newer categories:** Companies will have their hands full as more users come on board, but they will be up to the task of serving the needs of customers. That will lead to the emergence of new categories of services -- like delivering even milk and water -- which Paytm founder Vijay Shekhar Sharma believes "will replace the neighbourhood store." "You won't need to step out to shop."

- **The synergy between online and offline:** Brick-and-mortar will not disappear, but "there'll be more fusion between online and offline services," he adds. Here is a tantalising possibility of how this and then walk down to the store to pick up the product selected. "Self-logistics will be an option," says Sharma. Shop Clues' Aggarwal says the ecosystem is healthier and is maturing. "There will be the higher adoption of m-commerce and mobile wallets."

- **Survival of the fittest:** For companies, it will be a year of unit economics and a strong focus on (profitable) customer acquisition, revenue, and margin, says Anandan. "Only the fittest will survive." Anandan believes that unlike 2015, which saw multiple players in each category — in food, there were 20-plus startups for instance — 2016 will see the going getting tough for smaller players. "I don't see any major funding squeeze but it won't be easy to get money," Anandan adds.

Thus, as it is observed from various literature sources which are available online and offline, India looks to be all poised to invade the retail market through e commerce and Indian teens have already started to drive this very actively.

RESEARCH METHODOLOGY

Scope of the study
The study can be used in to understand the current e commerce trends of Indian teenagers. The findings of the study can also help gauge the popular sites teenagers prefer to engage in, for online shopping. Based on preferences of teenage buyers, these websites can fine tune their services to better their online business prospects.

Limitations of the study
The study was limited only to those teenagers who directly engage in shopping online, and those people who buy on behalf of teenagers was not included.

Research Design

Type of Questions: Both Close ended and Open ended Questions

Method of Data Collection: Primary method

**Source of Data Collection:** Questionnaire method using Google Spreadsheet

Sample Size: 36 teenagers in the age group of 13 years to 19 years

Findings & Analysis

The study came out with certain very interesting findings. Some of the prominent ones included the ones like boys shopped more than girls against the popular belief that girls shopped online more than boys, Amazon ranked the top most frequented site for online shopping in Indian teenagers and advertisements played a major role in bringing in awareness of e commerce sites.

The detailed graphs and charts are presented below with their respective inferences drawn.

**Table No. 1. Gender Classification of Teenagers**
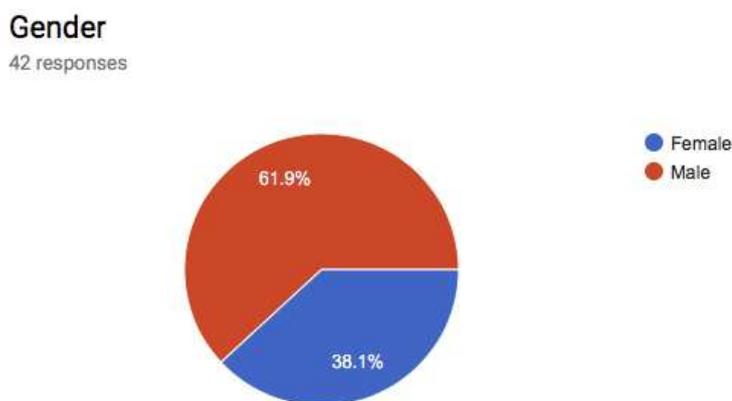
Inference Drawn: Males formed 61.9 % of the study compared to 38.1 % of females.

Table No. 2. Age Classification at which Online Shopping Started

Inference Drawn: Majority of the respondents was in the age group of between 13 to 14 years, followed by 38.1 percent respondents falling in the age group of 15 to 16 years.

Table No. 3. Mode of Shopping Preferences

I prefer...
42 responses
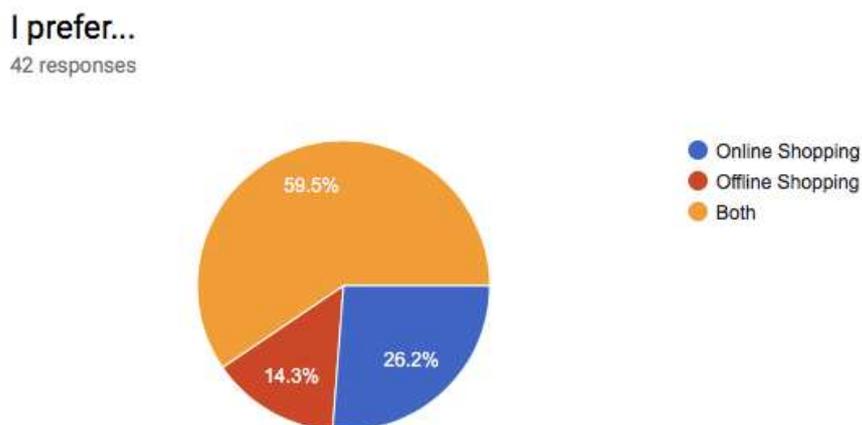
Inference Drawn: Interestingly the above chart shows how majority teenagers i.e. 59.5 percent preferred both online and offline modes of shopping closely followed by 26.2 % who preferred online over offline shopping.

Respondents were further probed to find out as to why they preferred a certain mode of shopping and the inferences drawn for them were as follows.

Some of the prominent reasons for most online shoppers were as follows:

- Shoppers found the online mode faster and convenient.
- Online because of many discounts offered and was cheaper compared to direct offline shopping
- No transportation needed and it saved time.
- Everything is available at the click of a button.
- Convenient for things that don't need to be purchased in person necessarily, like games or biscuits.
- More variety at one place
- Stationed at one place with a lot of variety to choose from.
- Online shopping offers more varieties and choices to choose from
- No need to carry heavy bags, easy to return items, no crowds etc.
- Things get delivered without wasting any time on window shopping or searching best shop.
- It is a reliable way for shopping
- A number of choice of brands in one place.

Some of the prominent reasons for most offline shoppers were as follows:

- For expensive products, shoppers preferred a physical/personal look at items than virtual looks.
- Assures trial run with the size, check product quality and confirms scope of buying
- Offline shopping was safer.
- Offline shopping because it's more fun and authentic
- No need to wait for a week for a dress which you have ordered, personalised attention and recommendations from sales staff, can actually experience the product/ service
- Hands-on Experience
- Scope for a bargain as sometimes offline deals are better.

Table No. 4. Type of Payment Mode used

What payment method do you prefer?
42 responses

Payment Method	Value
Cash on delivery	29 (69%)
Card on delivery	5 (11.9%)
Credit/Debit Card	20 (47.6%)
Mobile Wallets....	6 (14.3%)
Online Banking	6 (14.3%)
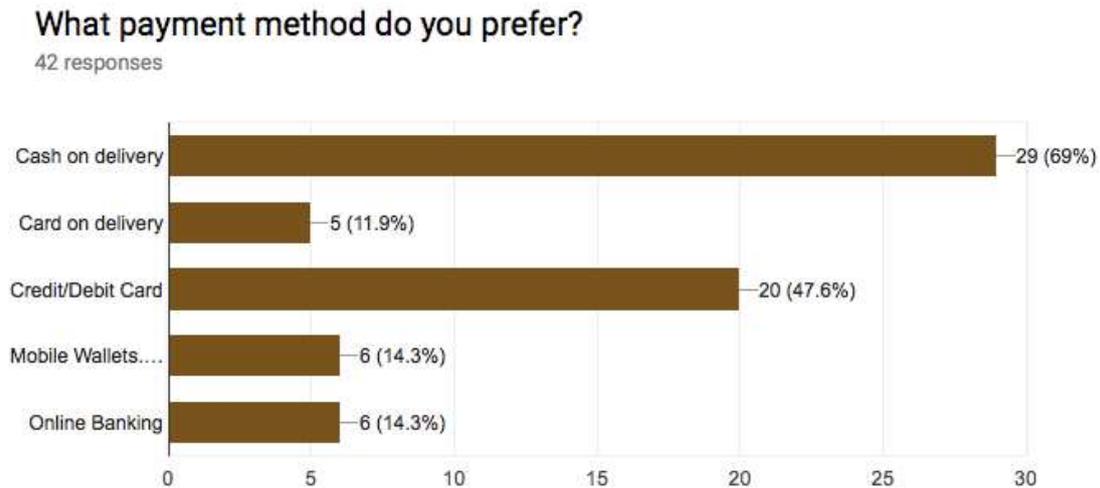
Inference Drawn: The payment mode preferred by most respondents was 'Cash on delivery' followed by credit/debit card payments for online shopping.

Table No. 5. Source of finding Online Shopping Options

How did you find out about online shopping?
42 responses

Source	Value
Friends & Family	11 (26.2%)
Advertisements	25 (59.5%)
Self-discovery	20 (47.6%)
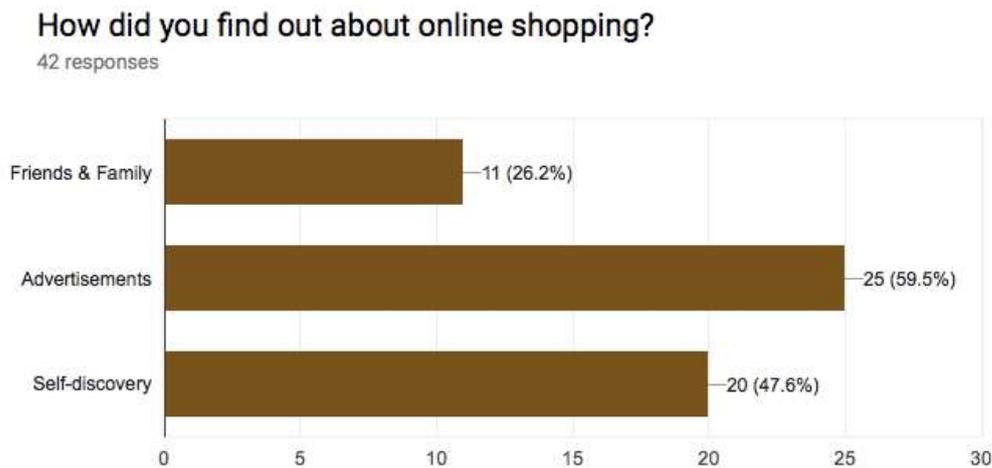
Inference Drawn: Advertisements at the rate of 59% have played a major role compared to other sources for teenagers to shop online.

Table No. 6. Time spent week on E Comm Sites

How much time do you spend on ecommerce sites per week?
42 responses

- Less than 30 mins — 31%
- 30 mins - 1 hr — 40.5%
- 1 - 2 hrs — 14.3%
- 2 - 3 hrs — 14.3%
- More than 3 hrs
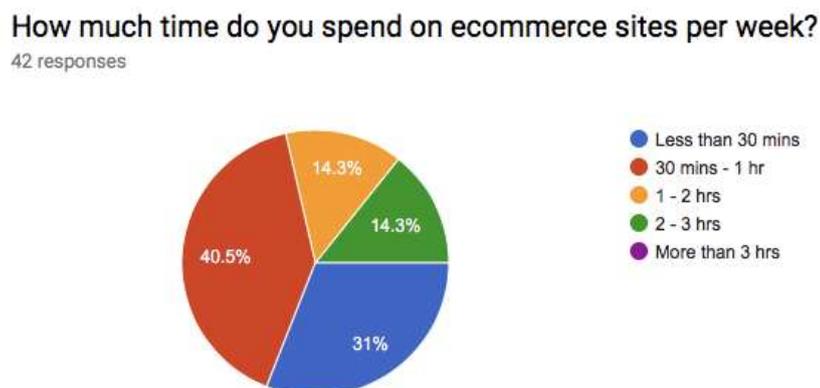
Inference Drawn: It was found that majority respondents spent approximately thirty minutes to an hour every week to go online for their shopping needs.

Table No. 7. Type of Products bought online

What types of products do you buy most?
42 responses
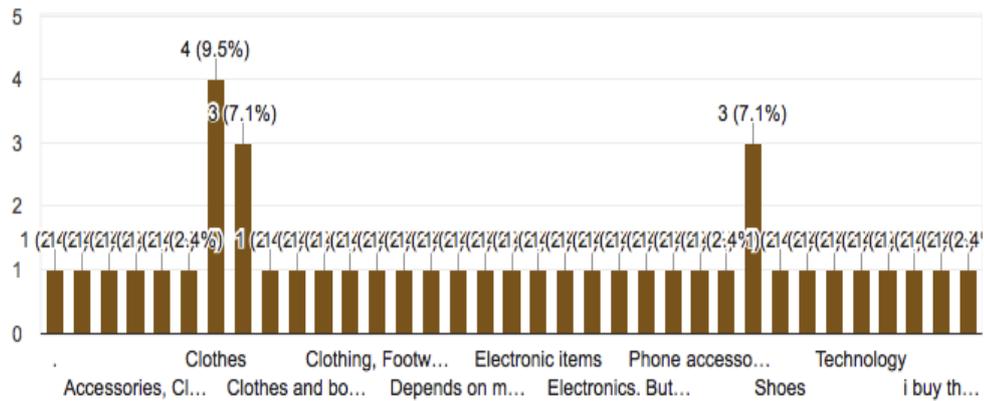
Inference Drawn: The above chart shows that clothes and apparels ranked the top most at 9.5% as the items shopped online by teenagers closely followed by shoes at 7.1 %.

Table No. 8. Top 3 Shopping Website Preferences of Teenagers
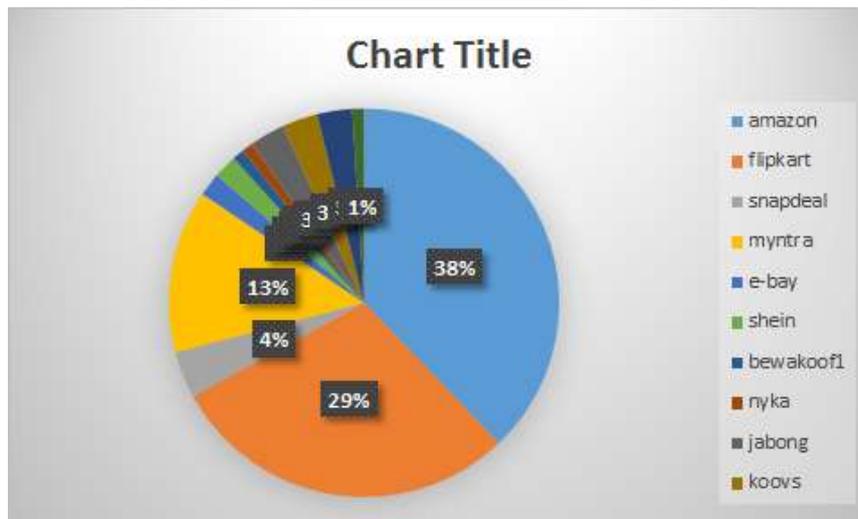
Inference Drawn: Amazon tops the list of preferred websites, in close heels with Flipkart and Myntra by Indian teenagers to shop online.

Challenges/Problems faced while buying Online Products:

Respondents were asked whether they faced any problems while buying online. The responses ranged across varied reasons. Some of the prominent ones are highlighted herein.

- It was felt that online shopping often resulted in fake products.
- Many times the exact specifications and description of the products are found missing.
- Options of delivery to other than owners were not met as per commitments.
- Size not matching as per expectations.
- Quality of products not as per specifications.
- Faults were found in the return goods policy.

- Products displayed on the image as per order was not delivered.

- Online shopping also poised the threat of potentially counterfeit products.

- Online products often sealed off the tax amount on the total budget of the product.

- One of the challenges observed was the shortage of products or the unavailability of stock at the time of placing the order thus minimising the scope of choice of products.

- Flash sales often result in either fake products or poor quality products.

- Some online sites do not facilitate returnable facility to the customers.

- Images displayed are often visually misleading.

- Often the order placed is completely different to the order supplied.

Respondents were further asked about how they would like the sites to improve their services to customers. The varied **suggestions from the respondents** are highlighted below:

- Faster checkout service

- More specific details on products

- To provide options that can allow customers to judge how the item is going to look when its actually used

- Online sites should offer fast delivery systems and competitive pricing to customers.

- Enable trial of clothes before finalising orders

- Provide more discounts and seasonal offers

- The customer service policies should improve

- Incorrect/wrong information of the products should be avoided

- Online sites should only use certified dealers.

- Facility to buy products without registrations should be allowed.

- Limited free trial services to be provided to online customers

CONCLUSION

India's e-commerce market was worth about US $3.8 billion in 2009. It went up to US $17 billion in 2014 and to US $23 billion in 2015. This figure, according to an ASSOCHAM-Forrester study, is expected to jump from $26 billion in 2016 to $103 billion in 2020. While in terms of the base, India may be lower than China and other giants like Japan, the Indian rate of growth is way ahead of others.

Thus it can be concluded that the rapid growth of smartphones and internet connectivity across the country, especially in tier-II and III cities, has given greater access to virtual shopping and e-tailing for the tech-savvy generation and millennials.

E commerce in India is here to stay. In fact, those journey has just started. With the support of the current central government and teenagers being its core drivers, the days are not far where India will see more and more age groups becoming a part of the virtual world for all its business needs.

RECOMMENDATIONS

Based on the study, the researcher would like to make the following recommendations to the online sites.

- India is a promising market for all kinds of e commerce transactions.

- With the digitisation drive of the Indian Government, the e commerce market can be further developed, monitored and made user friendly, dependable and open to all other age groups too.

- So, the government should play a critical role in creating appropriate policy framework and provide infrastructure and enable a secure and safe environment for digital transactions to take place. If all the concerns are addressed of online shopping compared to offline shopping, then there is no looking back for online shopping.

- The year 2020 is earmarked to be having an exodus of retiree population in India. This means a lucrative market is readily available for online shopping, on the condition that the system and government machinery provides the necessary training, financial and social support to this age group to shop online.

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Annexures:

- ☐ Sample Questionnaire (Questionnaire Copy is given below):

E-COMM TRENDS OF INDIAN TEENAGERS

QUESTIONNAIRE

Note: This study is for study and academic purpose only and will not be used for any commercial purpose.

Personal information:-

Full Name: _____   Age: _____

Gender: Male / Female Place: _____

1. Which do you prefer more online shopping or off-line shopping?

a .Online. Why?

b. Offline. Why?

c. Both. Why?

2. When did you start online shopping?

Mention year started: _____

3. How did you find out about online shopping?

a. Family & Friends

b. Advertisements

c. Self discovery

d. Others

4. How much time do you spend on e-commerce sites per week?

_____

5. What kind of payment method you prefer?

a. COD

b. NEFT/RTGS/IMPS/PayTM

c. All the above

6. Mention any top 3 products u buy online

a. _____

b. _____

c. _____

7. Mention any top 3 sites you buy most.

a. _____

b. _____

c. _____

8. What do you like most about the top most site?

a. Customer Service

b. Product Variety

c. Customer friendly product description

d. Delivery service

e. Payment options

f. Others

9. Mention any one problem/issue/difficulty you face while online shopping?

_____

10. Are there any suggestions to make e comm services better than existing ones?

a._____

b._____

c. _____