

Understanding The Role Of Internet On Purchase Decision Of Teenagers In Patna& Ranchi



Jaya beri¹



Dr. Rohit Vishal Kumar²



Dr. Pallavi Kumari³

Abstract

In today's world of technology, internet is like daily practice that affects our daily lives. The young generation especially the teenagers are the one who use the internet the most and have positive impact on family decision making. The Rapid emergence of the Social Media and Networking sites as a medium of communication has played a vital role in the purchase related decision and has changed the way consumers buy both in Quantity and Quality. Social Media such as Face book, Twitter, LinkedIn or Instagram have large pool of prospective young consumers say teenagers and they are growing every day. As the usage of internet is growing among the teens, the influence of social media & internet is on a high demand. Internet provides easy accessible information and thus has altered the way purchase decisions are made in families these days. The primary purpose of this paper is to understand the role of internet in purchase decision by the teenagers in Patna and Ranchi. Through review of literature the role of internet and its impact on decision making ability is analyzed. This study will be useful for business operating online, researchers and for all those who have any concern with online purchasing and selling.

Keywords: Internet, teenagers, family purchase decision, India, Patna, Ranchi.

Introduction:

Consumer socialization, defined as the processes by which young people acquire skills, knowledge and attitudes relevant to their functioning as consumers in the marketplace (Ward, 1974), provides a more complete framework for understanding the development of consumption symbolism. Consumer socialization theory predicts that communication among consumers effect their Cognitive, affective and behavioral attitude (Ward, 1974). A Swiss Psychologist Jean Piaget viewed socialization in four phases of a Child Cognitive development (Ward .S, And Daniel, wackman 1972, George .A, 2011).

In the first two stages children have few or less developed cognitive structure and hence assisted purchase is seen repetitive while influence of their peers and parents is highly seen in the later stage. In the third & fourth stage children have the ability to think abstractly and associate concepts and ideas. During fourth stage children also have greater financial resources in some cases and higher cognitive ability to make decision.

Children acquire consumer behavior norms through observation.

¹ Research Scholar, ICFAI University Jharkhand, jaya.mehrotra@gmail.com

² Associate Professor, IMI Bhubaneswar, Odhisa, rohitvishalkumar@gmail.com

³ Assistant Professor, ICFAI University Jharkhand, pallavikumari@iujharkhand.edu.in

- Shopping together with family (Consumer Socialization).
- Copying elders and their behaviors (modeling).
- Peer Group (friends, classmates) also plays a major role.
- Earlier Families considered to be a reliable source of information. With the growth of Internet these behaviors are changing. People check internet first and then decide what to buy.

TABLE 1 Piaget's Stages of Cognitive Development

<i>Stage</i>	<i>Age</i>	<i>Characteristics of Stage</i>
Sensorimotor	0-2	The child learns by doing: looking, touching, sucking. The child also has a primitive understanding of cause-and-effect relationships. Object permanence appears around 9 months.
Preoperational	2-7	The child uses language and symbols, including letters and numbers. Egocentrism is also evident. Conservation marks the end of the preoperational stage and the beginning of concrete operations.
Concrete Operations	7-11	The child demonstrates conservation, reversibility, serial ordering, and a mature understanding of cause-and-effect relationships. Thinking at this stage is still concrete.
Formal Operations	12+	The individual demonstrates abstract thinking, including logic, deductive reasoning, comparison, and classification.

Relevance of the topic

India has a population of 1.136 billion and 31% of the population comprises of young consumers below 15 years of age and have \$10.5 billion spending power which is rising @12% per annum (Adya Sharma, Vandana Sonwaney, 2014). Consumer use internet to accesses updated and transparent information on price, availability of product, features & specification and so on. Consumers want to make sure that they are making the correct choice and thus internet becomes the obvious choice for the same. As per recent BCG surveys, as much as 15% of urban consumers check for information online before making purchase. They set the trend and influence family and friend in purchase related decision. (Source: BCG report, 2015)

Internet penetration in India is driven largely by mobile phones, with some of the cheapest and most basic hand-sets today offering access to the internet. India has 110 million mobile internet users of which 25 million are in rural India (approx. 22.7%), which is fairly low when compared to urban cities internet usage. The growth of internet penetration in rural India is driven largely by the mobile phone; 70% of rural India's active internet populations access the web via mobile phones. This may have to do with the difficulty in accessing PCs due to cost. 42% of rural India's internet users prefer using the internet in local languages. The high prevalence of content in English is a hurdle for much of rural India. (Source: Internet and Mobile Association of India (IAMAI) and IMRB International, 2014)

College-goers remain the largest users of the internet in India, followed by young men. 70% of online youth in India spend more than 5 hours on the internet in a normal week. Internet access is still predominantly desktop based (41%), however, 36% use laptops and 27% use Smartphone. Facebook is by far the most popular site used (93%), followed by YouTube (87%) and WhatsApp (79%). 10-12 year old social account users report higher daily access to Snapchat, Pinterest, Tinder, Tumblr, and Vine than their teen counterparts, even though the

minimum age to register to these social networking sites is 13 years. (Source: Internet & Social Media Usage among youth in India: MacAfee Report).

Teenagers are also called “ net generation or cyber-teens’, due to higher use of internet and fast adoption of technology in this age group (Lee, 2003, Ward, 1974). Youngsters use Internet as platform to interact in a better way or to improve daily life activities (Damer, 1998). Young people use internet 38% more than adults. Teenagers spend less time in front of T.V. and more time on internet as compare to adults (Forrester Research, 2000).

The Rapid emergence of the Social Media and Networking sites as a medium of communication has played a vital role in the purchase related decision and has changed the way consumers buy both in Quantity and Quality. Social Media such as Facebook, Twitter, LinkedIn or Instagram have large pool of prospective young consumers say teenagers and they are growing every day.

As the usage of internet is growing among the teens, the influence of social media & internet is on a high. Internet provides easy accessible information and thus has altered the way purchase decisions are made in families these days. Researches indicate that teenagers are more into usage of internet & social media for purchase related decision. Both generations agree that teens know more about the Internet than their parents do the findings and that older children have significantly more influence than younger ones in family purchase decisions (Atkin, 1978; Beatty and Talpade, 1994; Beneke et al., 2011; Darley and Lim, 1986; Hansen et al., 2002; Jenkins, 1979; McNeal, 1969; Mehrotra and Torges, 1977; Nelson, 1978, Rust, 1993; Swinyard and Sim, 1987; Ward and Wackman, 1972).

Documentation of Literature Reviewed

Sl. No.	Literature Reviewed Title of the paper, article, etc. along with the Source, i.e., the name of the Journal, Magazine, Book, etc.	Literature Type (Research Paper, Review Paper, Chapter of a Book, etc.)	Author/s	Publi shing Year	Gist of Points gained	Linkage to own research

1.	“Consumer Socialization”, Journal of Consumer Research Vol. 1, No. 2 ,pp. 1-14	Research Paper	Scott Ward	1974	Consumer Socialization theory predicts that communication among consumers effect their Cognitive, affective and behavioral attitude. Consumer socialization, defined as the processes by which young people acquire skills, knowledge and attitudes relevant to their functioning as consumers in the marketplace (Ward, 1974), provides a more complete framework for understanding the development of consumption symbolism	Pioneer in consumer socialization theory and helps understand the development of consumption symbolism.
2	“Consumer Socialization: A Theoretical and Empirical Analysis”, Journal of Marketing Research, vol. 15, no. 4, pp. 599- 609,	Research Paper	Moschis G.P. and Churchill G.A.,	1978 .	Analyzed the adolescent consumer for attitude towards advertising, stores, prices etc.	
3	“Impact of Teenagers on Family Purchase Decisions: Considering the role of Internet,” IOSR Journal of Business and Management (IOSR-JBM)PP 101-105	Research Paper	FawadSaboor, MuhammadAd il Jan, Tariq Raheem,& Muhammad Rizwan		According to the results of the study, teenagers are good users of internet; they find products of their choice on internet and influence their family purchase decisions. But, there is gap of understanding between parents and children on information gathering on internet and co- view in family purchases decisions	The higher the family size and the more hours the mother works outside the home, the greater the difference in the influence perception of adolescents by parents.

4	“Teen internet mavens: influence in family decision making,” Journal of Business Research, 58(5), 569-75	Research Paper	Belch, M.A., Krentler, K.A. and Flurry, L.A.	2003	These teen Internet mavens are hypothesized to Enjoy net surfing and to have greater relative influence in the family decision-making process than their non-maven counterparts. Survey data From a National Family Opinion (NFO) sample of matched pairs of parents and teens supported these hypotheses.	
5	“Theoretical modeling of influence of children on family purchase decision making,” Procedia - Social and Behavioral Sciences 133 ,38 – 46	Research Paper	Adya Sharma, Vandana Sonwaney	2014	Model on Influence of child on family purchase decision and its relation to family variables	The model integrates these two different areas of research to develop a Conceptual model to explore the relation of influence of children with respect to different factors. The model introduces the Concept of “parent’s re-socialization”
6	“Adolescents’ Influence in Family Purchase Decisions: A Socialization Perspective,” Journal of Business Research, 18, 159-172	Research Paper	Foxman, E.R., P.S. Tansuhaj, and K.M. Ekstrom	1989	Explored family members' perception of adolescents influence in family decision-making	Children had low effect on selecting product range and price of product.

There is a number of works that is done on children socialization but few works has been done on teenagers in India.

The following diagram shows the actual picture of Indian teenager and their purchasing power (source: Outlook business, 2007)

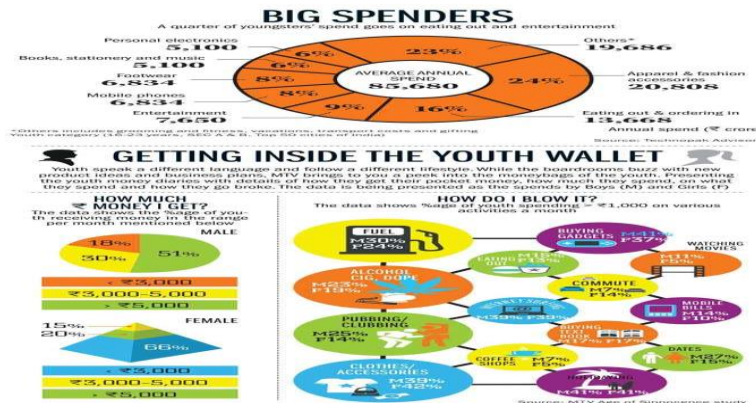


Fig 1: Indian Teenagers and their Purchasing power (source: Outlook Business, 2007)

The above image clearly indicates that teenagers are a big market for sellers to tap and also that gender also plays an important role in influencing purchasing decisions of parents. There are certain products for which teenagers are more inclined towards usage of internet and taking purchase related decision. The product categories are as follows:

- a. Mobile Phones/Smartphone.
- b. Laptops/Desktop/Tablets.
- c. Two-Wheelers.(Bike/scooty)
- d. Television.
- e. Washing machine.
- f. Refrigerator.
- g. Branded Clothes.
- h. Footwear.
- i. Movie Tickets.

There are a numerous literatures on how children become consumers and the main agent of socialization. These are family,peers,school, and mass media (Martin &Bush,2000; Moschis &Churchill, 1978; Roedder-John, 1999). This electronic technology is different to traditional mass media because of its interactive ability, that is, the possibility of users interacting with a machine, virtual communities and individuals, globally(Hoffman &Novak, 1996; Shih, 1998; Steuer, 1992).Thus the role of the internet as a socialization agent has been less examined in academic literature.

RESEARCH GAPS

Following research gaps have been identified:

- Less study has been conducted on teenagers especially in India.
- Influence of medium of communication has been discussed mostly in relation to TV& advertisements.
- Very few studies which discuss the “consumer socialization” process with reference to Internet and Social Media
- Very few studies which study gender roles in Internet or on purchase behavior.
- Thus the role of the internet as a socialization agent has been less examined in academic literature.

Research Objective & Hypothesis:

Research objectives are as follows:

- To identify the role of internet and social media on purchase decision process of teenagers (13-19 years)
- To study the extent of influence played by internet and social media at different stages of buying.
- To study any major differences between the genders and influence of Internet / social media on purchase
- To study level of product involvement that affect interaction on social media.

Research hypotheses:

In order to achieve the desired objective study assumes the following main hypotheses as follows:

H1: Social Media is positively related to teenager's role in decision making in purchase related decision.

H2: Extent of influence of teenagers in family purchase is high.

H3: Gender effect will have varying effect on purchase decision and will depend on product category.

Conclusion:

- A. The research findings shall help companies to develop strategies for specific product to target teenagers that use internet for most purchase and if teenagers are their future/prospective customers even then business using web base can utilize the study.
- B. It will also give valuable insight to e-commerce companies to develop their website in accordance to consumer's perception and ease of access for young consumers.
- C. The result is also useful for marketers in suggesting that consumers with high product involvement will have different means of evaluation and hence purchase products. Thus level of product involvement can be used by market practitioner as means of target audience segmentation in online shopping environment.

References

- Christina K. C. Lee and Denise M. Conroy, Cecilia Hi (2003), "The Internet: A Consumer Socialization Agent for Teenagers." Research Paper ANZMAC 2003 Conference Proceedings Adelaide.
- Dotson, M.J. and Hyatt, E.M (2005), "Major influence factors in children s consumer socialization", Journal of Consumer Marketing, Vol.22,No. 1, pp. 35-42.
- Kotler, P., and Armstrong, G (2011), Principles of Marketing, 14th Edition, Pearson Prentice Hall.
- Moschis, G. P (1985) , "The role of family communication in consumer socialization of children and adolescents. Journal of Consumer Research", Vol.11, pp. 898-913.
- Moschis, G. P., & Churchill, G. A., Jr (1978), "Consumer socialization: A theoretical and empirical analysis",Journal of Marketing Research, Vol.15, pp.599-609.
- Roedder-John, D (1999), "Consumer socialization of children: A retrospective look at twenty five years of research", Journal of Consumer research, Vol.26, pp.183-213.

- Ward, S (1974), “Consumer Socialization”, *Journal of Consumer Research*, pp.1-14.
- Ward, S.,& Wackman, D. B (1971), “Family and media influences on adolescent consumer learning”, *American Behavioral Scientist*, 14, pp. 415-427.