

# **Buying Behaviours of Millennials**

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Abstract  
(Problem Statement)

Factors affecting buying behavior of millennials .

This research aims to find out the factors, which affect the buying or purchasing behavior in millennials. This research is being done because a lot of previous research only creates a stereotype on GenY. The previous researches contain so many gaps and this paper tries to fill those gaps and give an overview on the GenY or Millennials behavior on purchasing.

Two major point-of-view camps based on exhaustive literature review are as follows. Firstly, while we have a better understanding of college students brand loyalty, it has been recognized that college students represent only a segment of Gen Y and also recognize the sample of college students used lacks racial and ethnic diversity, and has slightly skewed gender representation. There are limitations of self-reported purchase behavior. Asking subjects to recall past purchase behavior has the potential to induce bias. The use of actual point of sale data would be useful. Secondly, the researches did not consider the buyer's perception of the ease or difficulty of performing a given behavior, which may vary across situations and actions.

These are the few reasons we need to eliminate in our study, we aim to elaborate on factors affecting the buying behavior of millennials in this paper.

## Review of Literature

Using the framework suggested by Baron and Kenny (1986), the above results indicate that materialism functioned as a mediator in the relationship between public self-consciousness and compulsive buying. In other words, these results imply that public self-consciousness had a significant influence on compulsive buying only indirectly through materialism (specifically the acquisition centrality domain of materialism). It had no direct influence on compulsive buying. Delineated ethical consumer among Millennials and provided a perspective on the ethical concerns and behaviors of three consumer subgroups, which remain consistent across two national cultures that represent developed and developing countries. In so doing, we have clarified that instead of being conceptualized as one niche market (Langeland, 1998). The Millennial generation has been made aware of the importance of ecological and environmental conditions. Research shows that 47% of Millennials would pay more for environmentally friendly services, products, or brands. The primary reason is because these Millennials care about the environment (California Green Solutions, 2007). Also, they have explained that consumers are influenced by “others” mainly because of three reasons—informational, utilitarian and expressiveness of value. The consumer accept the source of information only, if it enhances his/her knowledge of the environment or ability to cope up with some aspects of this environment (Park and Lessig, 1977) e.g., purchasing of product. According to the research conducted by McNeal (1993) and John (1999), it was found that teenagers pay more attention to the social aspects of being a consumer. According to research, Fernandez, P. (2009), advertisements and celebrity endorsements are the major driving factors for consumers to buy branded clothing and active and continuous advertisements are required to maintain loyal customers. Verma, A.P. and Tiwari, K(2011), states that people are becoming brand conscious simply due to the increase in their income levels and the paper links the economic growth of a country to prevalence of brands. study contributed to two areas of research in the context of college student consumer behavior. First, this study identified three consumer clusters clearly characterized by demographics, including major, and brand/product preferences, including specific labels, style, and fit. These segments were consistent with the findings from existing literature but added new information. Second, additional demographic characteristics and brand preferences for these market segments beyond the information in previous literature were identified. This information was further developed into marketing and merchandising strategies for retailers based on these newly identified market segments.( Bahng, Youngjin; Kincade, Doris H; Jung-ha (Jennifer) Yang,2013)

## **Research Objectives**

### **Main Objective:**

The research objective is to formulate a generalized image of the Millennials generation and then revealing the nature of evolution if any and its adaptation to this demographic phenomenon which guides the factors that affect Millennials buying behavior.

### **Sub Objectives:**

To ascertain which factors are considered to be important by millennials in their purchase decision

The factors which influence millennials the most regarding the convenience of buying a product

To ascertain impact of customer reviews on purchase decision

To ascertain impact of animal testing on products in purchase decision

To ascertain effect of CSR activities in buying a product

To ascertain means of information search before buying a product

### **Hypothesis:**

H1: All factors have equal impact on the buying behavior of millennials

H0: All factors have varying impact on the buying behavior of millennials

## **Sampling Design:**

### **Sampling method**

The sampling method used was non probability sampling. Under this method convenience sampling was used. 81 responses were taken as the sample size for the research and used for analysis.

## **Data Collection Design**

### **Primary Data:**

#### **Survey:**

In order to collect data from viewpoint of consumers, the strategy of the research is the survey. To investigate buying behavior of millennials a qualitative technique is used to analyze the data from the survey. The Survey was in the form of questionnaire. Each respondent was asked to respond to the same set of questions, providing an efficient way of collecting responses. Since the topic focused on millennials the questionnaire was mainly circulated through an online forum of google forms. Respondents were also asked to forward the questionnaire.

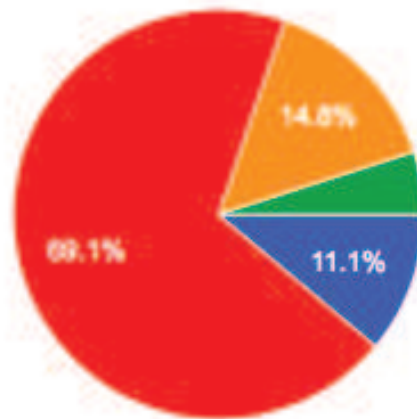
### **Secondary Data:**

Secondary data provided initial insight into the research problem and include both raw data and published summaries such as articles, books, journals, etc. This was mainly used for the introduction and background of the study.

**Results:**

### What is your age?

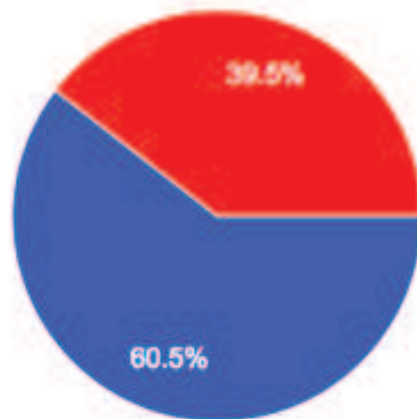
81 responses



- 16-18
- 19-21
- 22-24
- 25 and above

### What is your Gender?

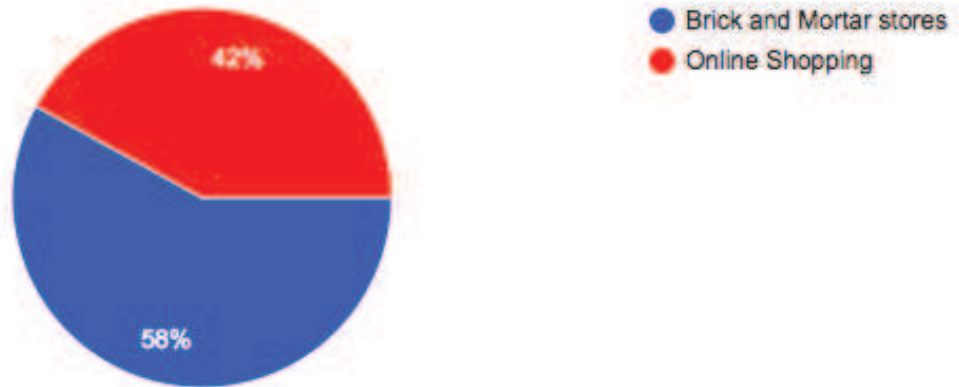
81 responses



- Female
- Male

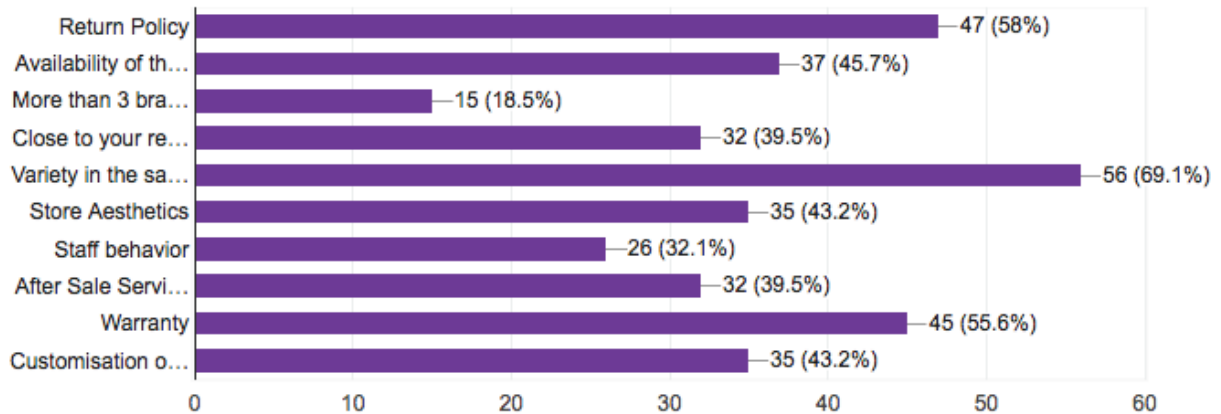
## Which platform of shopping are you more attracted to?

81 responses



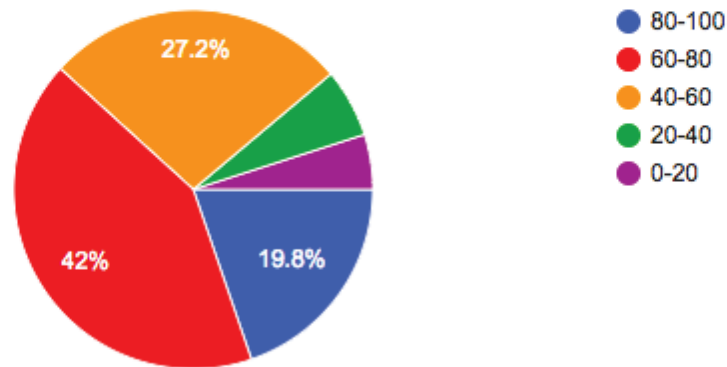
## Choose your top 5 in terms of convenience you look for while buying the product:

81 responses



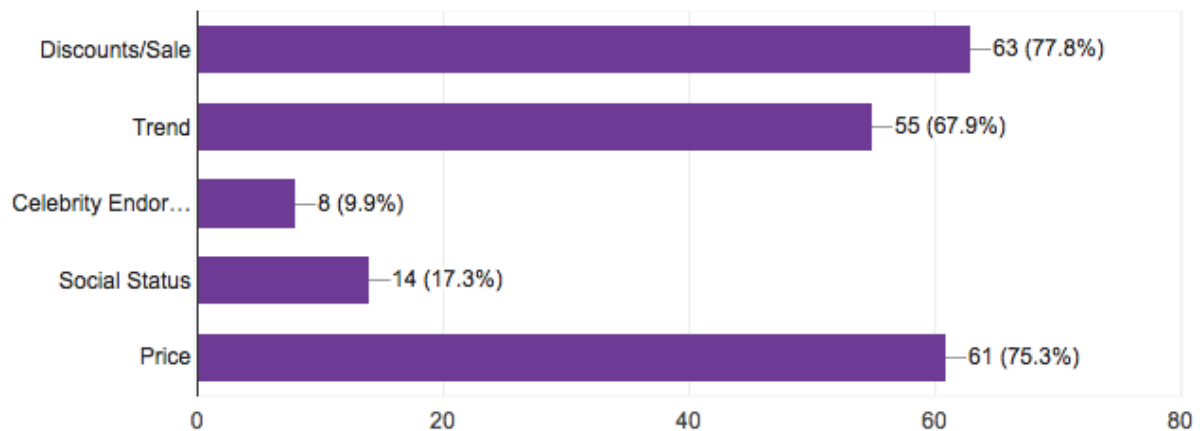
## How much do other customers' reviews or ratings affect your decision to buy a product? (For e.g. Zomato, Amazon, Airbnb, Shein)

81 responses



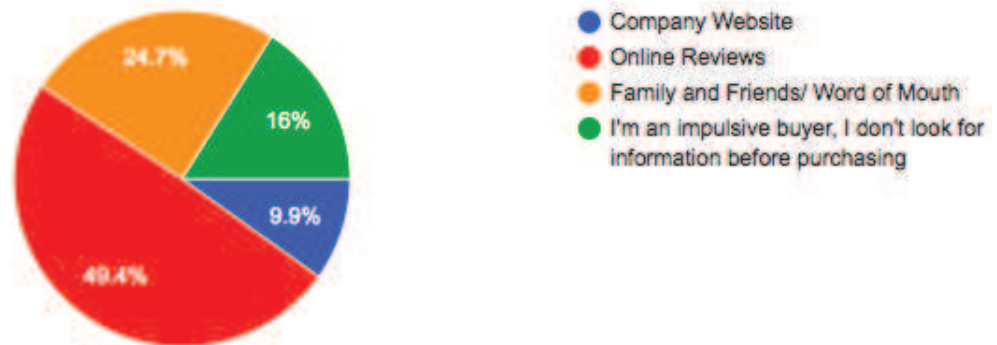
## Which of these factors affect your shopping behaviour? (You can choose multiple options) -

81 responses



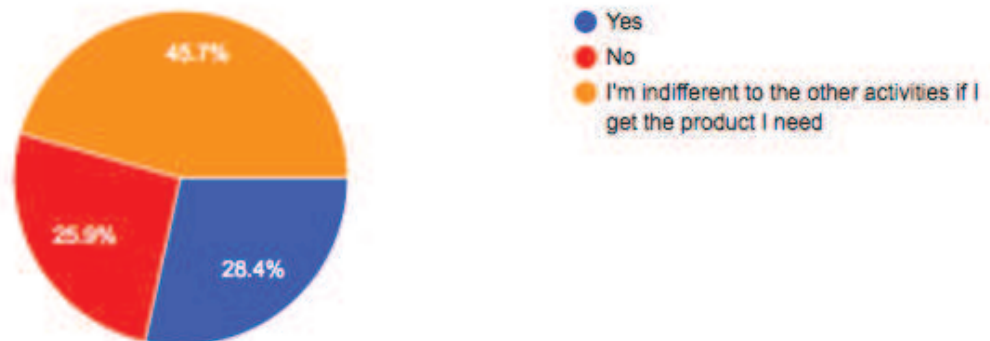
## Where do you search for information before purchasing a product?

81 responses



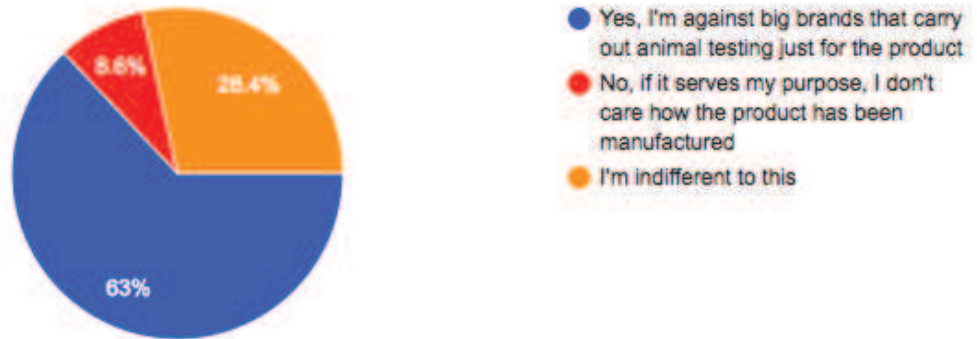
## Do CSR activities of labels affect your buying of products of that particular brand? For E.g. M&S' ecofriendly initiative, Tommy Hilfiger's controversy on racism.

81 responses



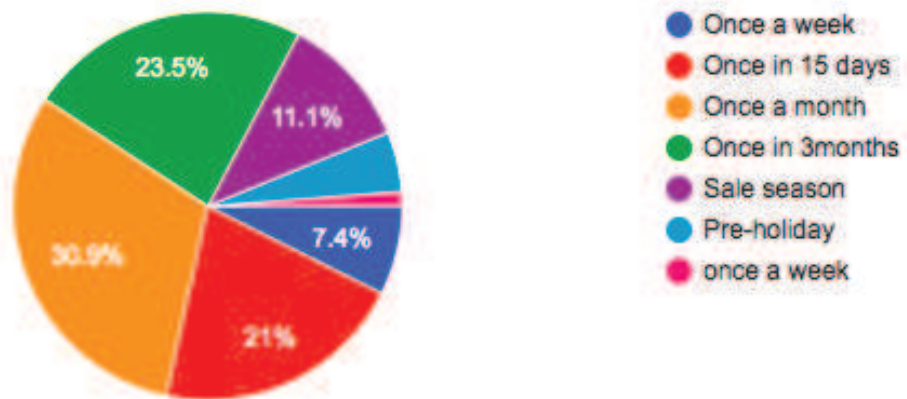
Do brands involved in activities like animal testing or using of animal hides affect your behavior of buying a product of that brand? (For E.g. Animal testing carried out by cosmetic brands, brands using alligator skin to make bags)

81 responses



How frequently do you shop? (Excluding daily necessities)

81 responses





## **Discussion:**

For the survey we conducted to explore the factors affecting buying behavior of consumers, 69.1% of our respondents were of the age ranging between 19-21, 14.8% of the respondents were of the age ranging 22-24 together constituting our target group for this research, Millennials or also commonly referred to as members of the GenY.

The questionnaire was answered by a total of 81 respondents out of which 60.5% were females while 39.5% were males.

In the past few years, with the advancement of technology, our generation has been lucky enough to witness the smooth and effortlessly convenient working of a diverse assortment of online shopping stores. Online shopping has penetrated well and has replaced the traditional way of shopping for many. 42% of our respondents prefer shopping online than visiting brick and mortar stores which is indicative of how well the online shopping trend has been adapted by the millennials.

One of the primary aim of any retailer or seller is satisfaction of customers. Customers do not see shopping as a tedious chore if it is made convenient for them. We asked our target group how they would define convenience and what aspects are considered as a convenience while shopping. It was found an efficient Return Policy, Warranty and Variety Of Products Of The Same Line were the top most priorities that made it more convenient for them to shop. This evidently portrays the importance of security this generation seeks while shopping. A warranty and return policy instills trust and security in the minds of the consumers. The response also clearly depicted the variety seeking behavior of the upcoming generation. It is convenient for the consumers to choose from a wide range of products of similar nature. Numerous branches of the same store aren't considered as important by this group which could be a result of availability of products online.

Since our target group consisted of consumers who have information available on almost everything on their fingertips, it was easy to conclude that other customers' reviews on websites or mobile applications like Zomato, Amazon, Airbnb, played a vital role in helping customers make their decisions on purchasing the product in question. A majority of our group agreed to have been affected by reviews they had read about products online. In this day and age of internet dependence, online reviews by consumers makes it important for retailers to make sure they have a positive digital footprint to attract more consumers.

Word Of Mouth used to be the most significant factor that affected the buying behavior of consumers but this group of millennials finds it more convenient to check online reviews as a part of their information search before purchasing a product. 49.4% of our respondents rely on online reviews while 24.7% rely on word of mouth. Information search on company website doesn't hold as much prominence when it boils down to purchase decision.

Most big brands have taken up elaborate initiatives as a part of their CSR activities. These initiatives if marketed positively have the ability to play a significant promotional role for the brand. At the same time, a negative or scandalous controversy can prove to put big companies' brand name in jeopardy. However, in our research, the group we examined, majority of the group was not affected by the other activities that the companies carried out unless it directly affected

the product these companies offered. This shows that the product is of primary importance to the consumer, the activities not relating to the product that these companies carry out is secondary.

63% of our respondents agreed that one of the factors that affected their purchase behavior was the company's involvement in activities like product testing on animals, using of animal hides to manufacture the product.

A decade ago, celebrity endorsement was a significant factor affecting the purchase decision of a consumer. However, such is not the case in today's day and age. The ongoing trend in the market has become one of the most significant features affecting buying behavior while discount/sale take the lead in being the greatest incentive for consumers to make purchases. Price of a product can be said to have been perpetually significant for consumers when they go shopping. This shows the dying trend of celebrity endorsements and the prevalence of products being purchased because of an ongoing temporary trend. (for eg: trend of fidget spinners) This generation of customers remain price sensitive too.

The frequency of purchases majorly revolved around 'once a month' for our target group followed by a few shopping 'once in 3months' and 'once in 15 days' . This depends of personal preference of the customers as well as availability of the product or replenishment they are looking for. All the factors mentioned above in this study directly and indirectly affect the frequency of purchases made by this target group.

Our study, evidently concludes that a wide range of dynamic factors complement the dynamic buying behavior of the upcoming generation.

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## Appendix:

A) What is your age?

- 16-18
- 19-21
- 21-23
- 23-25
- 25 and above

B) What is your Gender?

- Male
- Female
- Other

C) Which platform of shopping are you more attracted to?

- Brick and Mortar stores
- Online shopping

D) Rate the convenience (in order of preference 1 being highest, 10 lowest) you look for while buying the product:

1. Return Policy
2. Availability of the product online
3. More than 3 branches of the brand
4. Close to your residence
5. Variety in the same line of product at the store
6. Store Aesthetics
7. Staff behavior
8. After Sale Services
9. Warranty
10. Customization of your product

E) How much do other customers' reviews or ratings affect your decision to buy a product? (For e.g. Zomato, Amazon, Airbnb, Shein)

- 80-100
- 60-80
- 40-60
- 20-40
- 0-20

F) Where do you search for information before purchasing a product?

- Company Website
- Online Reviews
- Family and Friends/ Word of Mouth
- I'm an impulsive buyer, I don't look for information before purchasing

G) Do CSR activities of labels affect your buying of products of that particular brand? For E.g. M&S' ecofriendly initiative, Tommy Hilfiger's controversy on racism.

- Yes
- No
- I'm indifferent to the other activities if I get the product I need

H) Do brands involved in activities like animal testing or using of animal hides affect your behavior of buying a product of that brand? (For E.g. Animal testing carried out by cosmetic brands, brands using alligator skin to make bags)

- Yes, I'm against big brands that carry out animal testing just for the product

- No, if it serves my purpose, I don't care how the product has been manufactured

- I'm indifferent to this

I) Which of these factors affect your shopping behaviour? (You can choose multiple options)

- Discounts/Sale
- Trend
- Celebrity Endorsement
- Social Status
- Price

J) How frequently do you shop? (Excluding daily necessities)

- once a week
- once in 15 days
- once a month
- once in 3months
- sale season
- pre-holiday