

Young people: buying behaviour general review



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The purpose of this research paper is to find out as to why the businessmen in the 21st century need to know about the buying behaviour and consumption preferences of young people. The paper intended to trace the important trends shaping the buying behaviour of young people and the possible repercussions of ignoring these trends and their outcomes, by businessmen.

Approach

To fulfil the above mentioned purpose, the research scholar resorted to the study and analysis of the available academic and media sources, related to and delving on the trends shaping the buying behaviour of young people, and the possible outcomes for business that are sensitive to these trends.

Findings

The research paper came to the conclusion that the buying behaviour of the modern youth is being shaped by multiple socio-economic trends. The businesses can immensely benefit by being cognizant of these trends and by responding to their impact on the young buyers.

Limitations

As this paper is based on the views and conclusions culled from varied academic and media sources, the conclusions drawn may tend to differ from the general views and opinions of the established authorities on the topic under consideration. Besides, since most of the sources referred to, belonged to varied time periods, the conclusions drawn may not represent the current and up to date opinions.

Practical Implications

This paper may prove informative and insightful to the businesses interested in attracting and influencing young buyers.

Value

This paper is unique in the sense that very few researchers have attempted to delineate the varied trends influencing the young consumers, and their implications for the businesses and corporations.

Key Words: Young People, Consumption, Behaviour, Trends, Buying, E-Commerce

1. 0 Introduction

In a very conservative and traditional context, businessmen used to focus on the consumers lying between the age group 30 and 45. However, things have changed in the last two decades, in the sense that more and more young people are entering the markets as potential buyers (Michman et al., 2003). One simply cannot accept the fact that consumerism and the material aspects of life are confined merely to the older generation. Actually, the young people of today are much more in tandem with the varied aspects of consumerism and materialism. In this context, it has become imperative for the businessmen to understand and have a pragmatic insight into the buying behaviour of the young people, so that they can target their marketing strategies and business plans as per the needs and aspirations of this potent and influential consumer segment. It is a must for the businessmen to understand as to how the young consumers perceive and value their products and services. Realistically speaking, the more competition oriented

and proactive businessmen are already in the process of narrowing down their focus on the young consumers. Yes, to a great extent, the young people of today are more receptive of and vulnerable to varied promotional and advertising approaches (O'Shaughnessy & O'Shaughnessy, 2003) . Also, the youth in the current times does have an access to disposable income, which it prefers to spend on luxury and consumer goods. Still, this in no way justifies the utterly simplistic conclusion that the young consumers are sitting ducks. Actually, the young consumers are not merely lured by the expensiveness of a product, commodity or a service. The young people, like any informed consumer segment, do intend to desire value for money and are open to only those products and services, which add to their sense of well being and individual identity (Simpson et al., 1998). With the rise in the numbers and purchasing power of the young consumers, the businessmen not only need to know about this consumer segment, but must also put in efforts to orient their business strategies and promotional activities, as per the expectations of this consumer base.

2. 0 Mega Trends Shaping Young Consumers

May sound strange, but, the expectations and aspirations of the consumers in every age and time tend to change and alter? Each age has its own concept of individuality, family, identity and social status, and the preferences of the consumers do respond to these mega trends. 21st century being the age of information and the internet, the young people of today should not merely be expected to be cognizant of the mega trends unravelling in their age, but also that they being young are more likely to suit their buying preferences in consonance with these rampant trends

(Manolis, 1999). Businessmen who are oblivious of the mega trends influencing the young consumers are more likely to be left behind in the race for survival and sustenance (Rotfeld, 2001). In that context, it will be really interesting to touch on the mega trends to which the young buyers of today are exposed to.

2. 1 Fading of Age Barriers

Changing consumer values are influencing the buying behaviour of young people. So it is necessary for the businessmen to understand as to what ticks the contemporary young consumers. The consumers of today have an 'age defying' approach towards consumption (Fine, 2002). People no more consider age to be a marker of personal identity. On the one side the consumers affiliated to the older age groups are getting more open to the products designed and marketed with the young people in mind (Lancaster & Reynolds, 2005). On the other side, in case of young people, not only their buying power has considerably increased, but they are being extended a greater autonomy, as far as their buying decisions and aspirations are concerned (Roberts, 2002). Today's young consumers acquire brand awareness and develop brand loyalties at a very nascent stage (Lunt, 2002). So, the businessmen who are cognizant of this trend can expand their customer base, by altering their marketing and promotional strategies, so as to make them age neutral and focused more around the values and aspirations that are common to all age groups. This way then can reap double benefits from their advertising investments. They can woo the young people, without alienating their mature consumer base. Any businessmen

who is competition minded simply cannot afford to ignore the trends shaping the buying behaviour of the young buyers.

2. 2 Health and Fitness

Going by the augmenting trend towards fitness and mental well being, the young consumers today are immensely health conscious (Iacobucci, 2001). The young buyers have a holistic approach towards consumption and do believe that physical fitness and mental well being are of paramount importance. It is not a wonder that most of the advertisements one comes across in media publications and broadcasts feature young and healthy people with a positive and fun loving approach towards life. Businessmen do need to take cognizance of this trend, actively moulding the buying behaviour of young people. Today, a significant number of young consumers in Europe and United States believe that their consumption patterns should be such that, they should insulate them against the life style diseases (Sirgy & Samli, 1995). Consumers groups are increasingly taking steps and measures to assure that the vendors and companies adhere to the established health standards and regulatory norms (Mazis & Raymond, 1997). Hence, the most logical conclusion will be that a businessman who chooses to target this trend towards health and convenience and alters ones manufacturing and promotional strategies to highlight this trend is bound to reap manifold benefits and profits. On the contrary, ignoring such consumer aspirations or simply failing to highlight them, are bound to alienate young buyers, who may then chose to transfer their buying potential to the businesses that are more sensitive and responsive to their expectations and needs.

2. 3 Changing Family Values

One more trend that is impacting the buying behaviour of young people and of which businessmen need to take cognizance of is the changes in the life stage cycles and family structures in the modern society (Dizard & Gadlin, 1990). Though it is a fact that most of the young people do prefer to stay in their nuclear families, but there exist a significant proportion of young buyers who prefer to leave their families and live alone, on their own. Also the young people of today prefer to spend a significant part of their lives as singletons (Nathan, 2007). Hence, this trend is destined to shape the buying behaviour of young people. They are more likely to prefer products and services that are not manufactured, packaged or priced with the family consumer in mind, but are rather customized as per the requirements of the single young people. Businessmen do need to keep an alert watch over the altering social trends and must customize their service procedures, manufacturing plans, packaging strategies and pricing policies, with an eye on the mindset of contemporary young and single buyers (Alhabeeb, 1999). May, sound funny, but good businessman by necessity needs to be a demography and sociology expert. It is next to impossible to attract the young buyers, without having an insight into the social and cultural trends that shape their buying behaviour.

2. 4 Time Constraints

The young people of today, including the young women are career oriented and do not have the time and patience to indulge in elaborate household chores and responsibilities. The time at the disposal of the young people of today is more scarce and dearer than what it used to be two decades ago. In

every aspect of life, be it fitness, entertainment, personal grooming, nutrition, etc, the young buyers place a high premium on convenience and economy of time (Michman & Mazze, 2001). The entire fast food industry is to a great extent dependent on the patronage of young buyers, who do not have the time and patience to wait long for elaborate meals. So, if an enterprising businessman who is aware of this trend towards convenience and could offer products and services that could extend the desired benefits while assuring convenience and economizing on time, is destined to own a booming business.

2. 5 Mixing of Gender Roles

The other thing that is bothering the young consumers of today is the fading of the gender roles (Fulton & Maddock, 1996). Just two decades ago, the varied aspects of Western culture, be it education, cinema, media, arts, etc tend to focus on defining as to how a boy or a girl should look or behave like. However, the role models available to the contemporary young buyers are oft gender neutral. The young women of today by necessity are required to develop male attributes like assertiveness, aggressiveness and confidence (Fulton & Maddock, 1996). Similarly, the young men in the contemporary Western society exhibit female attributes as being conscious about looks and personal grooming, dieting to improve health and fitness and spending more time at home and not being averse to indulging in household chores and responsibilities (Fulton & Maddock, 1996). Thus, the type of products and services that the young buyers of today prefer to subscribe to are definitely not the same that they used be just twenty years ago. Businessmen need to

learn from this shift in the buying preferences of young people and must respond appropriately.

2. 6 Need for Connectivity

In the modern times, marked by high divorce rates, breaking families and loosening of social bonds, young people do look for products and services that fulfil their need for connectivity (Roberts & Foehr, 2008). If this is not so, then how can one explain the success of social networking platforms like Facebook and Twitter (Tassel, 2006). The revolution in telecommunication technology could also be attributed to the need of the young people and aspiring professionals to remain connected. At an emotional level, young people tend to cherish business organizations, products and services that endow them with an opportunity or a portal to bond or connect with their friends, loved ones and likeminded people. Therefore any business aspiring to be a rage amongst its young clientele simply cannot afford to overlook this fact. Businessmen determined to influence and convert the young people need to add a connecting element to their products and services. Varied mega brands like McDonalds and Starbucks, to a great extent owe their success to their ability to create venues where young people can feel comfortable to mingle with the people they like. So the businessmen of today are not only required to know about the buying habits of young people, but are also required to be able to think like their young clients, at least conceptually if not intellectually.

2. 7 Redefining of the Concept of Luxury

Most of the aware and astute businessmen do know that as far as the markets for young people are concerned, they are witnessing a new

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egalitarian trend in the demand for luxury goods (Eun-Jung, 2008). Just three decades ago, the young people affiliated to different socio-economic strata desired different goods and products. However, today it is not the same. With the rise of the urban middle class, most of the young people hailing from middle class families demand and desire the same commodities as enjoyed by their young counterparts (Eun-Jung, 2008). The premium brands have already taken a hint from this upcoming trends and have started coming out with product ranges that are affordable to their low-income or middle-class young customers (Eun-Jung, 2008). The young consumers of today across all economic segments seek products that extend to them, comfort and indulgence. No more the notion of luxury or comfort is regarded as an attribute that is affordable only to the rich. The democratization of education and professional training has created a new breed of young professionals, who may not afford a personal Jet or a Limousine, but when it comes to their culinary preferences, entertainment avenues and the gadgets they possess, they are not very different from their rich friends.

Any businessmen simply cannot ignore these socio-economic developments. If one does so, then one will soon lose to the competitors who are shrewder at deciphering socio-economic trends. The young consumers are more than ever ready to look for new experiences and qualities in the products and services they avail. Besides, courtesy the onset of globalization, the young consumers are also immensely willing to try exotic products and services from faraway locations and countries around the world (Lukose, 2005).

It would certainly not be too exaggerated to claim that it is the young people who are the primary trend setters in the contemporary markets, and any <https://assignbuster.com/young-people-buying-behaviour-general-review/>

businessman oblivious of the immense power of young customers in the modern economies, simply could not hope to do well or eventually survive. Look at any new innovation or any new product, be it the Apple's iPhone or iPad, first of all it was introduced and tested on the young buyers, before it was targeted to the more mature users (Kahle, 2008). Besides, considering the logical conclusion that the young buyers are likely to stay in the markets for a longer time, it makes sound business sense to convert them while they are young and hence relatively more impressionable. Also, the well connected young people do have a tendency to spread the news about the products and services they like. Hence, understanding and targeting a young clientele assures ample word of mouth publicity and free promotion.

2. 8 The Advent of E-Commerce

E-commerce is a natural outcome of the information revolution and the ubiquity of the internet usage. Businessmen opting for e-commerce oriented retail or owning online companies would commit a great blunder if they ignore the buying behaviour of their young clients. However, luckily, most of the e-commerce entrepreneurs do have a fair notion of the obvious advantages that a young customer base offers to an online company. Today's young people are to e-commerce what their parents were to cable television. Yet, unlike their parents, they constitute a market that still remains largely unexplored, going by the dearth of astute e-commerce entrepreneurs (Siegel, 1999). First and foremost, 16-30 years old constitute the largest chunk of the people who regularly use internet and go online (Rosen, 2001). Not to say, these young customers do have money to spend and also the discretionary power to freely decide about the products and services they need to avail (Rosen, 2001). A businessman if manages to attract a tiny fraction of the purchase power at the disposal of the young surfers, it would amount to millions of green backs. However, if the e-commerce entrepreneurs lack an insight into the buying behaviour of the young customers, their websites are as good as an ugly picture on the wall.

For example, very few businessmen know that young buyers who purchase online do not like to be overwhelmed with options (Youn, 2008). They desire to choose from a small collection of well selected product variations. May sound surprising, but the wired generation is also well aware of the leverage that online product selection and purchase endows them with and hence the uninformed businesses may often commit the mistake of testing their patience. The good thing is that the young online buyers are mostly willing to extend personal information in exchange of freebies (Youn, 2008). Yet, on the other side they greatly detest it if their vendor is not transparent and straightforward. Also, these consumers are very intolerant of poorly executed websites. Yet, they can easily be attracted by offering small incentives. So, in the realm of e-commerce, the crux of the game is to have a grip over the buying behaviour of young people.

3. 0 Conclusion

The generation X of today differs from its predecessors in the sense that it has the money to spend and the autonomy to make business decisions. Any worthy businessman aspiring to survive and grow simply cannot afford to overlook the purchasing power and buying behaviour of young consumers. Not to say, understanding the behaviour of young buyers is not as simple as it sounds. The buying behaviour of young people of today is an outcome of a wide range of mega trends that are influencing and shaping their consumption decisions. Therefore, the best approach for a successful businessman or a company is to keep a keen eye on the changes in the buying behaviour of young people and the trends that lie behind these changes. Young people constitute a very flexible and malleable market, and require a lot of patience and understanding on the part of potential sellers.