CHAPTER 1

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1.1 BACKGROUND

In present Scenario Internet is extensively scattering as a correspondence media in India. Development of the data super thruway has changed the way media is made and devoured. Earlier media used to be made by media firms who are the substance generators and also the substance proprietors. The substance used to communicate to the patrons by the media. This idea has experienced a rudimentary change, now anybody can make content best known as User Generated substance and impart it to others utilizing stages like Social Networking, Blogging, , YouTube and so on. Social networking has turned out to be more eminent among everybody. Consumers are getting more associated and informative with their systems and innovation permits them to voice their suggestions quickly.(Pani, and Sharma, 2011) The ascent of new media has considerably molded how society shares and obtains data and information. At present organizations are looking to social networking sites as a way to connect and communicate with their customers. Social networking sites, like, you tube, Facebook, Twitter, and Instagram, are assuming control over the web-based social networking world. As the customary correspondence strategies of print media and immaculate informal exchange are gradually enfeebled, increasingly organizations are swinging to online networking to spread news about their organizations in an amusing and attractive format.(Hanke Melissa, 2015)

As per the report of Internet Live Stats in India Total internet users are 462,124,989 (up to July 2016). India ranked second after china. The number of mobile Internet users in India grows over 55 per cent to 371 million by June 2016.According to a new report by social marketing agency “We Are Social”
sixty five percent of India is still far from getting on the internet but Indians are racing to catch up. If we talk about growth of internet users than India ranked in top five countries in the world, while the worldwide average for growth in internet users is a measly 19 percent, India is at 90 percent.

Some milestones of the India in web, mobile, and social media usage are as below-

- India’s web users have 153 million active social media accounts (from a global tally of 2.43 billion)
- India has 1.01 billion mobile connections
- India has 153 million social media users, of which 130 million are on mobile
- India’s active social media users are up by 23 percent since March 2015, compared to 26 percent global rise
- Mobile subscriptions in India grew only by 7 percent.

Figure 1.1: India’s key digital stats (Source- We are Social)
According to the report of **Internet and Mobile Association of India (IAMAI)** “66% of the 180 million Internet users in urban India regularly access social media platforms. The most popular activities on social media include maintaining one’s own virtual profile on the likes of Facebook and Twitter, posting and sharing an update as well as replying to something a friend has posted. While college students (33%) form the largest demographic of active social media users in India, working women and non-working women register just 7% and 11% respective share in that user base.”
The beginning of social media sites has bought revolution in the area of marketing and communication. The traditional way of communication was ‘word of mouth’, which replaced by the ‘word of web’. Now consumers buying decisions are greatly influence by social media sites as consumers are spending more time on these social networking sites.
Every company has their own web page on social media sites through which they provide complete product information. Customers influence with the company’s products by reading of reviews and comments of the existing customers. When People use the products they describe their experience through social media whether they are satisfied or dissatisfied with their product. People give more importance to social media as they are more likely to trust the social media information provided by the common man rather than information provided by the celebrity in advertisements. The challenging task for the marketers is to felt their presence on web by customers, for this there site should be easily approachable. Marketers should be present on social media sites as it is the requirement of today’s competitive environment. It will not only help them to interact with their customers but also helpful in building their customer relationship and introducing new brands among potential customers.

Ahlqvist et al (2010) separated social media in three different types of elements, i.e. - content, communities and web 2.0. “The first element content is defined as the media created by the user that is going to be shared in a social media setting. Communities refer to one of the main aspects of social media, which is the interaction between the users. Finally, web 2.0 is the technologies used to create content and that enable the users to interact with each other.”

Social networking sites have an immense influence on different characteristics of consumer shopping behaviour including consciousness, information seeking, beliefs, purchase and post purchase behavior. Social media promoting strategies allow communication, association, discussion, group building and a feeling of belongingness among customers. Customers do have faith on meticulous product and services on their online system and they share it with their known/relatives and friends for getting their opinions and experience about that product. So In this manner, marketers are managing the invisible properties of their brand and promoting brands through social media. (Saadia et al., 2013) Individuals are currently social, and buyers are taking an interest in assortment of exercises, from devouring substance to sharing information, beliefs, assessments, and communicate with different buyers on the web. (Heinonen,
Online world has turned into another type of social correspondence, interfacing individuals to assortment of online groups has been developing amid past decade. Groups that may never meet in the physical world however they are able to influence buying decisions. (Evans, Jamal and Foxall, 2009). The online social networks provided facilities for consumers to interact with one another, access their information, read their comments, and reviews, which can help their buying decisions in variety of ways.

Kaplan and Haenlein (2010) state that “the concept of social media is top of the agenda for many business executives today, so firms try to identify ways in which they can make Profitable use of applications such as Facebook, YouTube, Twitter and LinkedIn Each social media application usually attracts a certain group of people and firms should be active wherever their customers are present. Thus, social media can be an important marketing tool for companies to engage with their customers In a competitive environment, businesses can use social media as a communications tool to attract their customers and reach their target group with low costs and effective messages.”

1.2 CONSUMER BUYER BEHAVIOUR
In all over the world social media sites empowered people to make a group and community to damage and herald a company. Now a day’s as per their needs people purchase products and take their buying decisions. Particular consumer buying behavior is defined as “the activities people undertake when obtaining, consuming, and disposing of products and services” (Blackwell, Miniard &Engel, 2001, p6). The important part of the consumer behavior is “buying decisions” of consumers, which is the combination of various steps. Usually reference groups, social groups, individuals, who own authority and power to influence over consumers, can affect consumers buying decisions. (Solomon, Bamossy, Askegaard and Hogg, 2010)

The study of consumer behaviour in different market environments has always been a challenge for marketers. Today the traditional brick and mortar market is being challenged by the online market. the word of web publicity is becoming important than the word of mouth publicity, and when the traditional print/electronic/outdoor media is supplemented and challenged by social media, it becomes very significant for the
retailers to study the consumer purchase behaviour in today’s context. The degree of effect that social media has on consumer buyer behaviour is different for different markets.

Hawkins et al (2007) said that “The field of consumer behaviour is the study of individuals, groups or organizations and the processes they use to select, secure, use, & dispose of products, services, experiences or ideas to satisfy needs & the impacts that these processes have on the consumer & society”

Everyday Lots of consumers consume so many products including necessary goods to products they desired. Thus this area of study is mostly investigated by the marketers. Schiff man and Kanuk mentioned in their study that “consumer behaviour is about how people make their Decisions on personal or household products with the use of their available resources such as time, money and effort.”

Voinea and Filip (2011) defined that “Consumers consumption choices is a yearning to feel good, not only physical, but also emotionally. But, in the last decades, consumers have faced a detonation of product choices and it is causing so called “consumer vertigo.” The consumer became increasingly apprehensive about choices and sometimes he chooses not to buy something for fear he will make the wrong selection.” Authors further stated that consumers are looking for more meaningful happiness that offers deeper satisfaction. this proclaim a new era” the era of mindful consumption and of new consumer.”

1.3 CHARACTERISTICS OF CONSUMER’S BUYING BEHAVIOR

Consumer buying behavior not remains constant all the time. Now it empowered by the technology. It provides desired information to consumers before finalizing their buying decisions and executing purchase. It also helps them to share their opinion and information with their friends and relatives.

The journey of the consumers involved various complex moves across variety of online and offline marketing and promotional channels. Although they cover this journey at
their own speed through the variety of devices they switch from during journey. Consumers collect information from online sources, offline sources, or over the phone. They will often start with one channel and finish it with another. Lockard (2015) described the various characteristics of today’s buying behavior:

1.3.1 Control on Buyers
Consumer’s start their search when they feel that they are ready. This scenario is so much different from the old scenario when retailers described their needs and explain the place to purchase i.e. push marketing. Retailers need to emphasize on “pull” or “inbound” marketing strategies to search their prospective customers.

1.3.2 More emphasis on information search
Search is at the heart of today’s buying behavior. It is used as an initial step to help the buyers in understanding their needs. It helps to narrow down their search and also used to compare and find the best deals.

1.3.3 Local Intent
Enhanced device incorporation, usage of mobile and better targeting growth is driving the trend of searches with local intent. The best way of collecting the information is searching through online sources about local businesses. Reports of Google say that one in every three desktop searches and approximate half of mobile searches have local intent.

1.3.4 Growth of Social Media sites
The emergence of Social networking sites help to search and engage with their prospective customers. These sites influence and help the customers to read online reviews before making their shopping decisions.

1.3.5 Mobile Revolution
Mobile Phones have revolutionized the way consumers shop. These are the important part of consumers for a variety of needs, including information search, services and gathering business information.
1.3.6 Growth of Personalized Shopping Behavior

A recent study of Google says that every consumer has their own purchasing path. Retailers need to understand the buyers and make their marketing messages personalized and segmented according to their shopping needs and behavior.

Mangold and Faulds (2009) said that every stage of consumer buying behavior is influenced by social media including information search and acquisition stage to post purchase behavior stage of consumers. Now consumers have more faith on online user’s reviews & recommendations before finalize their shopping decisions. The positive and negative messages on these social media sites affect their buying decisions. (Chung and Austria, 2010)

Bilal et al (2014) state that “Businesses are making heavy investments in programs that facilitate Customer Relationship Building. Out of the list of these programs Social Media and Social Networks are gaining the top spot as these are the most influential platforms for winning customers attention. Creation of unique and memorable experiences that provide both tangible as well as intangible value to the customers is the key for companies to achieve maximum gains from the use of social network and social media in return for the efforts such as time taken, cost utilized, and energy expended which are made on part of the customer.”

Most of the retailers have customized their goods and services to extensive level because they know that buyers are more aware, knowledgeable and informed. They can search and get any information from social media & online resources. Hence retailers aim to building long term relationships with their buyers to satisfy their needs through electronic relationship management systems and via interactive marketing techniques specific for the digital world. (Cetina et al, 2012)

According to Akarte et al (2012) “it is important for marketers to understand how consumers treat the purchase decisions they face. If a company is targeting customers who feel a purchase decision is difficult (i.e., Major New Purchase), their marketing
strategy may vary greatly from a company targeting customers who view the purchase decision as routine. In fact, the same company may face both situations at the same time; for some the product is new, while other customers see the purchase as routine. The implication of buying behavior for marketers is that different buying situations require different marketing efforts.”

1.4 APPAREL RETAIL MARKET

Indian Organized retail industry is witnessed a CAGR of 24.57 per cent and by 2020 organized retail is expected to account for 24 per cent of the overall retail market. Various national and international brands have entered in this segment. With greater purchasing power amongst the middle class, it has resulted in the establishment of departmental stores, supermarkets, rural retailing, e-retailing and luxury retailing. (Singh, 2014)

![Figure 1.6: Scope for expansion in Organized Retail](Source: Deloitte Report)

According to datamonitor.com, “The apparel retail industry consists of the sale of all menswear, women wear, children wear and sportswear. The menswear market includes men active wear, casual wear, essentials, formalwear, formalwear-occasion and outerwear. The women wear market includes women's active wear, casual wear,
essentials, formalwear, formalwear-occasion and outerwear. The children wear market includes baby clothing, boys active wear, boys casual wear, boys essentials, boys formalwear, boys formalwear-occasion, boys outer wear, girls active wear, girls casual wear, girls essentials, girls formalwear-occasion, girls outer wear and toddler clothing.”

A leading global management consulting and market research firm Lucintel said that “the global apparel and accessories retail industry is expected to witness modest growth during 2012-2017 and reach an estimated US $1,369 billion in 2017 with a CAGR of 4% over the next five years.” The global apparel retail market is expected to reach almost $1.3 trillion in 2014. According to Market Line “The leading segment of the market is women wear at over 51%. The Americas represent a near 36% share of the market. Though hit by the economic recession, the apparel retail market is still recording growth. Product differentiation keeps competition levels up for consumers.”

According to India Retail Report 2013 “within the organized retail sector, Apparel is the largest segment. ‘Food and Grocery’ and ‘Mobile and telecom’ are the other major contributors to this segment.”

![Share of Different Retail Verticals in Modern Retail](image)

*Figure 1.7: Share of Different Retail verticals in Modern Retail (Source- Indian Retail Industry Report 2013)*
PwC’s thought leadership report– 2011 said that across all categories apparel retail market of India is untapped. In recent years apparel sales have been rising steadily supported by the huge market of youth’s and an growing interest in western apparels fashion. Apparel retailers are generating awareness, building their brands and creating a modern fashionable lifestyle oriented image. Although they are increasing their store networks, production capability, offering latest styles, and developing larger format stores with the help of funds raised from PEs.

Rajput and Khanna, (2014) said that within organized retailing apparel retailing is the first largest segment in the country and adding more customers days by day so it’s important to study their behaviour. With the advent of organized retail stores coming in different formats, the apparel retail market is wide open and now there are different customers for each of these formats and also for unorganized stores. Some customers regularly buy from particular organized retail stores, whereas some from unorganized stores. Then there are customers who occasionally buy from organized/unorganized retail stores.

In India as Technology ideas and lifestyles are changing frequently; fashion is getting more similar and diversified like western countries. India is the third most attractive market place for international apparel brands. Retailers are now increasing and multiplied their products range with more appealing styles, shapes and forms for customers in every season. (Chakrapani, 2014)

1.5 OVERVIEW OF RAJASTHAN

Population wise, Rajasthan comes on the seventh rank among all the states of India with total population of 74,791,568. Approximately ninety percent of the population is Hindu in Rajasthan. Although Jains also constitute a significant presence as the merchant and traders. According to Census 2011 Rajasthan is divided into seven different zones i.e. Jaipur, Jodhpur, Udaipur, Kota, Ajmer, Bikaner, Bharatpur.

With the increasing buying capacity of the people this state is having tremendous opportunities. The overall economic conditions and growing cities have attracted various
retailers and brands to Rajasthan. Industrialization has changed the economic landscape of the Rajasthan and new industries are coming to this state. Rajasthan is presently known for Handicrafts and textiles, Gems and jewellery, tourism and hospitality, Minerals, Marble, and Oil & Gas. However to attract investments, support growth plans and to bridge the gap in the local availability of skilled human resources it has to realize its full economic potential.

Figure 1.8: Seven different Zones of Rajasthan

1.5.1 Economy Structure of Rajasthan
Presently Rajasthan accounts for 4% of the GDP’s of the nation. While India’s GDP reported a compounded annual growth rate (CAGR) of 7.7% over the period 2000-01 to 2005-06, the NSDP6 of Rajasthan reported a CAGR of 4% over the same period. Over the long period of time the economy structure of Rajasthan has been gone through drastic changes. Rajasthan’s economy was primarily agrarian in the pre-1990s, with agriculture
accounting for over 50% of the share of the primary sector. Industrial activities have been limited to Jaipur, Jodhpur, Alwar, Bhilwara, Ganganagar and Chittorgarh and these cities have been grow as agriculture and cement production Centers.

Earlier industrial landscape has been consisted only with small scale industries. After the announcement of new industrial policy the industrial growth phase has been started. Medium and large scales industries have started investing in Rajasthan. During this phase the secondary sectors like retail and IT has also emerged in the state.

1.5.2 Industrial Scenario of Rajasthan
State government has created various institutional a professional mechanism such as Project Development Corporation, Rajasthan Financial Corporation, and Bureau of Investment Promotion for attracting investment to revive industrial growth. The state government has also constituted investment friendly policies for different sectors such as for Tourism & Hospitality sector, Healthcare sector, IT sector, and Power sector etc. The initiative of “Resurgent Rajasthan” has brought major investments into Rajasthan, and going forward, is expected to drive the secondary and tertiary sectors as well.

1.6 RESEARCH PROBLEM
Social media sites have become the most visited sites from the last few years. It has become the most popular platform to share personal & professional likes & dislikes, views & news, photographs & videos. It has in-fact become the most important media for communication & to stay in touch. Thus these sites provide an opportunity for the retail marketers including apparel retailers to promote their brands through this alternate media. But how far are these apparel retailers successful, especially in Rajasthan is a matter of research and analysis. Since the outcome of the research can prove to be a very important marketing tool for apparel retailers in Rajasthan, the study is focused on finding out its effect.

1.7 RESEARCH OBJECTIVES
Present study aims to study the social media effect on buying behaviour in organized apparel retailing in Rajasthan.
The objectives of the study are as below:-

- To find out the growing awareness of apparel sales promotion through Facebook, Twitter, YouTube, Blogs, Google+, & Pinterest.

- To explore the relationship between demographic characteristics of the population and the effect of Facebook, Twitter, YouTube, Blogs, Google+, & Pinterest on the buying behaviour of apparel retail consumers.

- To find out the significant difference of social media sites Facebook, Twitter, YouTube, Blogs, Google+, & Pinterest on online and offline apparel buying behavior.

- To identify the changes in the frequency of purchase of apparels as a result of sales promotion through social media.

- To find out the changes in brands preferences for apparels as a result of sales promotion through social media.

- To ascertain the average amount spent on the purchase of apparels by customers exposed to social media sales promotions.

1.8 STRUCTURE OF THE THESIS

The Thesis will be comprises in following Chapters-

Chapter 1: Introduction

This chapter introduces about social media, consumer buying behavior, Apparel Retail Market and provides an overview of Rajasthan. This chapter further discusses the problem statement and defines the objectives and Hypothesis of the present research study.
Chapter 2: Literature Review

This chapter was divided in two parts. First part discusses the previous studies done in the area of Social Media and Consumer buying Behaviour, including social media marketing, online Buying Behaviour, Role of Trust, Perceived risk, and information seeking through social media purchase, E-WOM in Social Media, the social media influence on consumer buying behavior in Rajasthan state, and the influence of social media sites on various stages of consumer buying decision making process.

Whereas second part provides an overview of previous studies done in Organized Apparel Retail industry in India and clarifies the meaning of Retail, including Apparel E-tailing in India, Apparel buying behavior, and the influence on social media on Apparel buying Behaviour.

Chapter 3: Research Methodology

This chapter discusses the research methodology used in the present study. It also discusses the objectives, hypothesis, methods of data collection and data analysis, along with approach and strategy to achieve the desired objectives for the study.

Chapter 4: Data Analysis and Interpretation

In this chapter the data collected from the research survey applied to consumers of Rajasthan who uses social media sites are analyzed. The analysis of the each research objective and Hypothesis based on the results of primary data needed to the conclusions and suggestions of the Research study.

Chapter 5: Summary

After the data analysis this chapter presents research findings conclusion recommendations and provides suggestions for future research. The limitations of the research are also discussed in this chapter.

1.9: CONCLUDING REMARKS

This chapter presented an overview of social media, Consumer Behaviour, and apparel retail market in India. The chapter also highlights the objectives and hypotheses of the present study. Chapter scheme describing the organization of thesis has also been presented.