CHAPTER I

INTRODUCTION

THE INTERNATIONAL RETAIL MARKET ENVIRONMENT

The Global Retail Development Index™ (GRDI) 2013\(^1\) outlines some important changes to the international retail environment. The report states that developed-world retailing will face stagnant demand and tough price competition. Emerging markets will enjoy faster growth as populations and incomes rise quite rapidly.

There are opportunities for retailers seeking to grow and expand in fast-growing developing markets such as South America, Brazil, Chile, and Uruguay. The BRIC markets (Brazil, Russia, India, and China) remain as the magnificent markets for global retailers.

By 2025, most retail investment will be in the developing world. Consumer spending will be higher than in the developed world and modern retailing formats will expand to meet the demand for branded, added-value and luxury goods and services. Investment in modern retailing capacity will induce consumers to move away from the traditional formats and will lead to increase in consumption\(^2\). International retailers will have to reflect local needs and a significant core of local retail business will remain.

The internet and social media will play an increasingly important part in retailing as producers sell directly to consumers, although food and grocery will be less affected. The integration of the virtual and physical worlds is fundamentally changing consumers’ purchasing behaviours. There is a gradual diversion of sales away from the high street and toward the internet. Multichannel shopping will become more common, combining both internet and traditional shopping approaches.

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\(^1\)The A.T. Kearney Global Retail Development Index (GRDI)™ 2013.
India was rated as the fifth most attractive emerging retail market in the Global Retail Development Index of 30 developing countries in 2012. However, the 2013 GRDI places India in the 14 position. India’s Growth has slowed down, but it is still strong. The global slowdown hasn’t spared India, whose GDP growth rate slipped to 5 percent, down from a 10-year average of 7.8 percent. Same-store sales volume growth slowed in 2012 across retail, particularly for lifestyle and value-based formats.

However, the long-term fundamentals remain strong for India, in particular, the large, young, increasingly brand- and fashion-conscious population.

THE INDIAN RETAIL MARKET ENVIRONMENT

The Indian retail market is the fastest growing sector in the Indian economy that accounts for 14 -15 percent of its GDP. It offers tremendous potential to the modern marketer. A number of changes have taken place on the Indian retail front such as increasing accessibility of international brands, increasing number of malls and hypermarkets and easy availability of retail space.

The India Retail Industry is gradually inching its way towards becoming the next boom industry. The total concept and idea of shopping has undergone a radical change, in terms of format and consumer buying behaviour, ushering in a revolution in shopping in India. Indian consumers are demonstrating an increasing interest in online shopping. The growing online retail market has become a very lucrative business for international majors entering Indian markets. India has surpassed Japan to become the world’s third largest Internet user after China and the United States. The trend is not only catching up in metros, but in smaller towns and cities as well.

The key factors in the growth of the organized retail sector in India can be attributed to a large young working population with median age of 24 years, nuclear families in urban areas and emerging opportunities in the services sector. The future of the India Retail Industry shows promising growth of the market with

3http://en.wikipedia.org/wiki/Retailing_in_India
the government policies becoming more favourable and the emerging technologies facilitating operations.

In 2012, India's retail sector reached an important landmark: The government allowed 100 percent foreign direct investment in a single brand for the first time. In multi-brand retail, the government allowed 51 percent FDI starting in early 2013. This has opened the doors of the retail sector to international players that comes with increased benefits to the consumer such as quality products and premium brands and a boost to the economy. However, there are preconditions about investment, sourcing, store locations, and state government approval.

Purchasing power of Indian urban consumer is growing and branded merchandise in categories like Apparels, Cosmetics, Shoes, Watches, Beverages, Food and even Jewellery, are slowly becoming lifestyle products that are widely accepted by the urban Indian consumer. Indian retailers must recognize the value of building their own stores as brands to reinforce their market positioning, to communicate quality as well as value for money. Sustainable competitive advantage will be dependent on projecting core values of the organisation in their retail brand strategy combining products, image and reputation.

As per industry survey about 70 per cent of the retail consumption is contributed by smaller towns of India. The youth in these pockets, generally try to connect and get inspired by urban lifestyles and trends. The onset of the mall culture in the smaller towns is opening up new avenues for the consumer to discover and adapt to the new trend. These markets are still untapped and open up a plethora of marketing opportunities. The semi-urban youth is equally digital savvy and in fact their level of involvement with the digital medium is higher than youth in bigger cities. Their contribution to e-commerce is more than their metro counter-parts.
TEXTILE & APPAREL RETAIL SECTOR IN INDIA

India is the world’s second largest producer of textiles and garments after China. The potential size of the Indian textile and apparel industry is expected to reach US$ 221 billion by 2021, according to Technopak's Textile and Apparel Compendium 2012. The textile and apparel industry is one of the leading segments of the Indian economy and the largest source of foreign exchange earnings for India. This industry accounts for 4 percent of the gross domestic product (GDP), 20 percent of industrial output, and slightly more than 30 percent of export earnings. The textile and apparel industry employs about 38 million people, making it the largest source of industrial employment in India. The growth and all round development of this industry has a direct bearing on the improvement of the economy of the nation.

Apparel is the second largest consumption category in malls. According to the NCAER study, consumers in India spend approximately nine percent of their disposable income on clothing and footwear, compared to five percent for clothing and shoes in the United States. Clothing expenditures in India tend to be relatively higher for households with higher incomes.

There is a growing shift in preference towards Western clothing and branded products, particularly across Tier I cities. Recognizing this, global brands are making their mark and increasing their presence in India, whilst at the same time; regional local brands are also increasing their competitive presence. The increasing disposable incomes across key cities, comfort fitting and rich appeal are the major factors that are expected to drive the apparel market towards long-term growth. Apparel companies are expected to branch out to Tier II and Tier III city outlets across India, which represent as yet an untapped market for branded apparel.


Indian Demographics Report 1998
International apparel brands such as Zara, Mango, Arrow and Diesel are increasing the presence of global brands in India. Certain local players such as Black Bird, F Square, Ramraj and Mustard have also strengthened their presence in southern India and provide tough competition to the national and international brands. These brands are also expanding their base to other parts of India to become national players.\(^8\)

The major consumers of the Indian Apparel Market are the young adult population. According to current estimates, India is one of the youngest countries in the world in terms of its age structure. More than 50% of India's current population is below the age of 25 and over 65% is below the age of 35. The table given below presents the age structure of the population of India.

<table>
<thead>
<tr>
<th>India Population</th>
<th>Current Population of India in 2013 - 1,270,272,105 (1.27 billion)</th>
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</thead>
<tbody>
<tr>
<td><strong>Age structure</strong> (2012 est.)</td>
<td></td>
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<tr>
<td>0-14 years: 29.3% (male 187,386,162/female 165,345,284)</td>
<td></td>
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<tr>
<td>15-24 years: 18.2% (male 116,019,042/female 103,660,359)</td>
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</tr>
<tr>
<td>25-54 years: 40.2% (male 249,017,538/female 235,042,251)</td>
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<tr>
<td>55-64 years: 6.8% (male 41,035,270/female 40,449,880)</td>
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<tr>
<td>65 years and over: 5.6% (male 31,892,823/female 35,225,003)</td>
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Source: http://www.indexmundi.com

The above table gives the estimated youth population structure at the all India level during 2012. The numbers have changed since and apparently the size of the youth population has grown tremendously. The population in the age-group of 15-34 increased from 353 million in 2001 to 430 million in 2011. Current predictions suggest a steady increase in the youth population to 464 million by 2021 and finally a decline to 458 million by 2026.\(^9\)

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\(^8\)Apparel in India, Euromonitor International. 2012  
\(^9\)The Hindu, April 17 2013.
By 2020, India is set to become the world’s youngest country with 64 per cent of its population in the working age group. It is estimated, the average Indian will be only 29 years old, compared with the average age of 37 years in China and the United States, and 45 years in west Europe and Japan. With the West, Japan and even China aging, this demographic potential offers India and its growing economy an unprecedented edge that economists believe could add a significant 2 per cent to the GDP growth rate and result in a massive and growing labour force which will deliver profound benefits in terms of growth and prosperity.

This massive youth population provides an enormous consumer base for marketers. Changes in the consumer patterns of young adults started happening with the increase in availability of malls, cafés and increased disposable income; these factors have changed the way youth today conduct themselves and manage their funds. The changing profile of the young adult population is evident in the economic independence displayed and the disposable income in their hands.

PRESENT DAY YOUNG ADULTS IN INDIA

Youth are emerging as digital shoppers as their comfort level with technology is incredibly high. It is perceived that young adults feel handicapped without technology and that the internet is providing young people with a platform to carry out increasing portions of their offline life with regard to searching, seeking information, creating content and using these inputs to shop online.

Today’s young consumer has developed a strong taste for shopping online. A study by Microsoft Advertising and Aegis Media reveals that 2011 was a year of ‘digital shoppers’ in which at least 48 per cent of online shopping decisions were spontaneous. The U’th Time Integrated Media Services quoted that “The primary source of traffic for online shopping (and other e-commerce portals) plus social media activity are young consumers (in the age group of 13 to 25). As a result, the number of online shopping platforms has increased and expanded dramatically over the last few years. People in the age group of 18-25 comprise a significant share of

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10 Microsoft Advertising’s Pre Family Survey 2011
sales on these websites. There is also an increasing trend of repeat buying in this age
group. It has now become a regular practice for the young consumer to search for
customer reviews on the web, blogs, consumer forums and other social media
websites to gather insights before purchasing anything. Facebook has become the
most popular source for almost all information.\(^{11}\)Prior to purchase what they
consider as assets, such as bikes, cars, mobile phones, branded apparels, etc., they
will search reliable information over internet. They discuss with peer-opinion
leaders among their friendship circle, listen to the experiences (related to that
product) of their close friends, check the credibility of that product in media
(advertisements and promotions) and then convince parents to access the product.
The family and parents are becoming more dependent on the younger members of
the family to take the purchase decision if the product is related to lifestyle and
fashion.

Extensive research is undertaken by young adults on the web about the
company, the quality of customer service, and the kind of products a retailer offers.
The young consumers do not end the purchase process after they acquire the
product, but voice their opinion on the web through various forums, social networks
and viral mail. They are even reactive enough to load a video on YouTube if they
find a fault in the product and these videos are considered to be more reliable and
credible (virally spread by the peer-network) to their peers against the brand or
product.

The young generation trusts friends and alternative media as the major
source of information before taking any decision. They consult each other a lot
more, critique instantly and voice their opinions to the world. Numerous brands,
both from India and outside, have made them spoilt for choice as they are faced with
a bewildering plethora of options in everything they do. And this unlimited choice
also makes them more demanding of a brand, from a brand’s perspective. They want
better quality, more value-for-money, superior experience and more.

\(^{11}\)http://pitchonnet.com/blog/2012/08/21/how-well-do-indian-marketers-understand-the-Indian-
youth/Pallavi Srivastava and ArshiyaKhullar
Globalisation and the opening up of the Indian economy have introduced the Indian society to new cultural and social norms. However, this process has not eradicated traditional Indian values and beliefs. Young people in particular want the best of both worlds.

A recent survey by INgene Insights Consultancy reveals that India’s youth has high respect for their parents for how they have struggled and achieved success in spite of minimal career options available during their time. Moreover, they have revealed that their aspiring icons in life are not any celebrity but their father or older brother(s). Parental authority has considerable leverage in the life of most Indian youth, though variations are due to education and socio-economic status. The youth prefer to remain within the cultural codes of their family and social networks. The vociferous individuality of the Western youth is not present among Indian youth who are more embedded, and content to be, within the institution of the family. The family remains a key institution in the life-world of Indian youth.

Dressing up in the latest styles is an important facet of self-expression held by the youth. Though the modern youth do not run after designer clothes, their wardrobes are up to date. While, for a casual gathering they might choose to wear jeans and a branded T-shirt, for more formal occasions they prefer a traditional dress: the girls will wear saris, while the boys don a sherwani.

Urban India today represents a combination of the traditional and the modern. In a number of areas, modern values and practices are taking over. Materialism is increasing; young people today understand the value of money and believe that India must become a part of the global marketplace to ensure its future economic success.

**Young Adults in Bangalore**

A demographically diverse city, Bangalore houses people of different cultures and it comprises of a dynamic blend of young adults, belonging to various religions, castes and communities who speak many languages. This diversity of young adults of Bangalore represents the whole of India. Hence the general profile
of the young adult population of India holds good for the city of Bangalore. Bangalore’s standard of living is better than in other metros. Hence, Bangaloreans’ life-style exhibits high level of brand awareness/consciousness.

Young Adults in Bangalore have information at their finger tips. They are innovators of new products and trends and are early acceptors of change. This segment is image conscious and places importance on keeping physically fit. They are experiential; enjoy the arts and events from music concerts. The young adults place significant importance on their community and friends. The advent of the internet enables the youth to communicate with a number of people at one time and therefore, friends could even include people they haven’t actually met before in person. The young adult market is extremely media-savvy; they are cynical and untrusting of advertising and marketing promises. They desire instant interaction and gratification and they have a short attention span. There is a need to “belong” and have “control,” they want to feel empowered, confident and independent.

A survey conducted by Hindustan Times and CNN-IBN in 2011 (carried out by MaRS – Monitoring and Research Systems) on the population aged between 18-25 years, spread across 18 major cities in India has revealed some very interesting statistics and reflection of the mindset that youth in a city share. Contrary to what many believe, majority of the youth do have the habit of saving as the report suggests. Going by each city, the youth in Bangalore (64.2%) and Mumbai (62.8%) spend the most. This could also be due to the assumption that they earn/get more money than their counterparts in other cities. Most of the spending of the sample population is on mobile phones (39.6%), food (22.6%) and clothes (22.6%); then come movies (6.2%), personal grooming (4.6%), gifts (1.5%), and sports and gym (0.7%) coming in with least spending percentage.

The young adult population in Bangalore mostly comprises of college-going students and young IT professionals. Many of them are migrants to Bangalore for the purpose of education or employment. Being away from home and on their own, they have a weekend culture to visit the malls in the city for shopping, watching
movies and eating out. They possess a fairly good disposable income and studies show that spending culture is quite high among them.\textsuperscript{12}

\textbf{YOUNG ADULTS SHOPPING BEHAVIOUR}

Young adults are recognized as a specialized consumer segment for marketers for many reasons. They are eager to consume and they are conscious of their experience.\textsuperscript{13} The young adults within a family often influence the family purchasing decisions.\textsuperscript{14} They are recognised as trend setters who influence consumption change within other market segments. Young people are able to influence the purchase and decision-making of others.\textsuperscript{15} At the period of transition from adolescence to early adulthood, the young adolescents seek to establish their own individual identity and form behaviour patterns, attitudes, values. They set their own consumption patterns that extend to their old age. They make purchases to define themselves and to create an identity of their own making.\textsuperscript{16} Many of these patterns are carried well into individuals’ lifetimes.\textsuperscript{17} They act as agents of change by influencing the society and culture.\textsuperscript{18} And from a marketing perspective, young adults are considered as a market segment that forms a powerful consumer spending group in their own way.

Globalisation and the subsequent opening up of the Indian economy have introduced the Indian society to new cultural and social norms. New trends in fashion, culture and lifestyle are emerging. The increasing reach of satellite television and the rise in Internet usage has helped to facilitate the spread of these

\begin{itemize}
\item[\textsuperscript{12}]Hindustan Times Youth Survey 2011
\end{itemize}
new trends among young people. The younger generations have become more independent and have accepted new ideas from western cultures.

Young adults attach great meaning to their appearance, and while shopping for clothes they make their own decisions that will directly affect their appearance. The clothes they select become a means for communicating and enhancing personality, attractiveness and allow them to belong to specific groups. Shopping for apparels is an important part of the overall life pattern for this segment. Apparels are important for young adults because they can augment social appreciation and develop a positive self-esteem via their appearance. They are the ultimate decision makers for the apparel products they consume, even if they are influenced by their parents or friends.

Though apparently the young adults all over the world display similar characteristics, a deeper examination reveals the finer differential qualities which are vital and often ignored while targeting this group as a valued consumer base. While targeting young adults to sell their product, most fashion retailers in India blindly follow the trends of U.S.A or Europe without prior survey and understanding, expecting the Indian young consumer to exhibit similar preferences. These efforts are unsuccessful.

The buying behaviour of young adults involves a complex decision-making process that is influenced by various external factors such as family, peer group, society, culture and internal factors such as values, motives, perception, attitudes and life-style. A predominant influencing factor among these is the basic value system that is imbibed in them from their cultural background and parental upbringing. Values are also formed through peer group interactions, educational background and social media.

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APPARELS - A REFLECTION OF PERSONALITY

It is an universal belief that ‘Clothing Makes the Man (or Woman)’ perfect. Clothes or apparels are an epitome of a culture. It is the symbol of expression of an individual’s personality, social status, tastes and preferences, and lends to create impressions about the wearer. People in different parts of the world have their own style of dressing which symbolize their culture and status.

In today's diverse and dynamic societies, there is probably no other sphere of human activity that reflects an individual’s values and life-styles better, than the apparels that he/she chooses to wear. The dress of an individual is a kind of “Sign Language” that communicates a complete set of information and is usually the basis on which immediate impressions are formed. Apparel is a form of artistic expression that reflects the cognitive, moral and social aspects of human life.

Apparels are worn in a public space. Therefore, it can be said that apparels contribute to a person's identity as a man or woman. Apparels articulate meaning and facilitate construction of identity. People form initial impressions of others on the basis of their physical attributes and observable behaviours. Observers can form judgments based on a person’s conscious clothing decisions or behavioural residue that reflects one’s personality. In today's multifaceted societies, apparels deter as well as facilitate communication between highly disjointed social groups.

Choice in apparels is regarded as claims of individuality that could be self-directed or other-directed, i.e, individuals may choose apparels that reinforce their identity or communicate their attitudes and values to others. An individual’s apparel choices may consciously and unconsciously reflect elements of his or her personality traits.

24Laura P. Naumann, 2009; Express yourself: Manifestations of personality in clothing and appearance; The University of Texas at Austin.
Clothing patterns may be regulated within the peer group by some unwritten rules. Certain styles and colours of clothes may be approved or disapproved by the group. Members of the group are expected to follow the group’s trends and even pressured to dress in the same way. This is referred to as the “peer pressure”. Clothing that does not conform to the group’s standards and expectations may be criticized. Sometimes the pressure is gentle and serves just as a source of inspiration for others. But it can also be strong and cruel, forcing people to either conform or risk being excluded from the group.

In western countries such as the United States and the United Kingdom, culture dictates that youngsters are independent from an early age. They form their own opinions and decide independently in all matters concerning their lifestyle. They take independent decisions without consulting their parents and are responsible and accountable for their actions. They belong to a free society and do not conform to traditional values/culture in the manner of dressing or choosing clothes.

In countries like Saudi Arabia, Iran and Iraq, cultural traditions and religious beliefs require people to strictly adhere to the specified norms. The community’s values and beliefs strongly influence the choice of apparels worn by young adults of these communities.

India is a country with rich cultural heritage and highly respected value systems. The joint family system, which is a fundamentally conservative institution, has given room for the more liberal nuclear family system. This transition has not eradicated traditional Indian values and beliefs. The family remains a key institution in the life-world of the Indian youth. Parental authority has considerable leverage in the life of most Indian youth and they prefer to remain within the cultural codes of their family and social network. Dressing up in the latest styles is an important facet of self-expression strongly held by the Indian young adult segment. While for a casual gathering they might choose to be dressed in jeans and perhaps a trendy T-

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shirt, for more formal occasions they prefer a traditional dress that conforms to the norms, beliefs and value systems of the society.\(^{28}\)

**PSYCHOGRAPHIC SEGMENTATION OF THE YOUNG ADULTS' CONSUMER MARKET**

Every person in this world is a consumer of an incredible variety of goods and services. However, each individual has different tastes, likes and dislikes and follow diverse behavioural patterns while making purchase decisions. Gaining knowledge of the consumer decision making process is the greatest challenge that the marketers face world over.

Marketers adopt different strategies to kindle the interest of the consumer and motivate them to act positively towards their product offerings. These motivations are referred to as stimuli as they stimulate the buying desire in the consumer. There are different marketing stimuli that reach consumers every day which affect them at different levels and dimensions. There are marked behavioural differences among consumers in the way in which they respond to these stimuli. Some may prefer the brand, some may look at the price, some may buy the product for prestige or status and some may respond to the advertisement. Although marketers recognize the need to understand the differences in consumer behaviour, rarely do they go beyond the demographic diagnosis of their consumers.

Usually the market is segmented on the basis of demographic variables such as age, gender and income which fail to capture the complete characteristics of the consumers. The problem is that even though individuals in a specific demographic category share some common characteristics, the psychographic characteristics like values, motivations and beliefs of these groups are not homogeneous.

Psychographics segmentation, based on consumer attitudes, opinions and values, is a realistic approach that allows the marketer to look at their clients as real people or entities, and understand how they feel, think, react and evaluate. While demographic segmentation aims to group the market based on its similarities,
psychographic segmentation helps to understand how people are different. The consumers in the same demographic segment possess different psychographic characteristics.

Psychographic segmentation helps the seller to determine how they must approach customers belonging to a particular segment. Such segmentation offers greater worth of the product for the customer. As a consequence, it generates greater degree of customer satisfaction and customer loyalty, resulting in higher amount of customer retention. For the marketer, psychographic segmentation helps to increase the brand value of the company in the eyes of the customer and gives better inputs for the design of new products that the customer would prefer. In the long run, the company spends lesser amount of money on marketing as it is easier to target a specific type of customer base. Thus, a psychographic approach in understanding consumer behaviour would provide marketers with a distinctive competitive edge in reaching their customers.

The common psychographic variables are attributes relating to personality, values, attitudes, interests, and lifestyles. Among these, personal values play an important role in understanding consumer behaviour as they are more central to an individual's cognitive system. Marketers, fashion researchers and retailers should understand how values influence the consumer behaviour and devise marketing strategies to promote the sales of their product.

Values are commonly regarded as the most deeply rooted, abstract formulations of how and why consumers behave as they do. Values exert a major influence on the consumer’s decision making in any situation where a conflict of choice exists. It is widely accepted that choice criteria are based on an individual’s social values. Personal values are acknowledged as an underlying determinant

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of consumers' attitudes and behaviour.\textsuperscript{30} A significant number of researchers suggest that values affect various aspects of consumer behaviour and attitudes.\textsuperscript{31}

Values can therefore be said to be mental images that affect a wide range of specific attitudes. These in turn influence the way a person is likely to behave in a specific situation, e.g. purchase of new apparels: the evaluation, choosing among alternatives and finally paying for a particular type of apparels, is largely a function of core cultural beliefs and values. Values are passed on from parents to children and are reinforced by the major institutions of society such as schools, business and government, the mass media, reference groups, etc.\textsuperscript{32}

While connotation differs, there appears to be a general agreement that values influence consumer behaviour. The purchasing behaviour of the customer reflects the actions which are based on a consequential relationship between his/her values and consequential wants and actions.\textsuperscript{33}


NEED FOR THE STUDY

Apparel manufacturers spend millions in marketing research every year trying to envisage the changing consumer behaviours. Insight into the consumer buying behaviour or their decision-making process would help firms and organizations to improve their marketing strategies by understanding the psychology of how consumers think, feel, reason, and select between different alternatives; and how the consumer is influenced by his or her value systems.

A three dimensional marketing strategy is required to ensure success and earn returns on the investments made by marketers. Firstly, the need is to identify the most promising target group of consumers for its products. Secondly, the market must be segmented appropriately. Marketers should move from demographic segmentation towards psychographic segmentation of the target consumers. Thirdly, marketers must identify the product categories most preferred and used by the target group.

The most promising target group of consumers in India are the young adults due to its demographic dividend. India is considered as the world’s youngest country in terms of its age structure. Recent studies on demographic profile of India’s population reveal that more than 50% of the Indians are aged below 25 years and more than 65% fall below the age of 35\textsuperscript{34}. This indicates that the youth population in India is a significant proportion of the total population and is emerging as a powerful consumer segment especially for lifestyle and luxury products.

This predominance of youth in the population is expected to last until the year 2050. The "BRIC Report" (Brazil, Russia, India, China) by Goldman Sachs predicts that the economies of Brazil, Russia, India and China would become larger forces over the next 50 years The report states that India's economy could be larger than Japan's by the year 2032 and that India could show the fastest growth in the next 30

\textsuperscript{34}En.Wikipedia.org
years. This demographic potential offers India and its economy an unprecedented edge, which is a significant competitive advantage.\(^{35}\)

Young people in India have emerged as a significant target for many Indian and foreign apparel companies. The existence of a huge young adult audience who possess an insatiable requirement for fashion clothing gives tremendous scope for clothing manufacturers, designers and marketers for business expansion, increased revenues, higher profits, while at the same time the prevalence of multi-brands provides tough competition.

The understanding of factors that influence the purchase of global and local brands among the Indian young adult consumers will help the new retailers, both domestic and foreign, who want to enter into the Indian market. The companies will be in a position to understand the complexities of Indian consumers and customize their products to have the right mix to meet the requirements and extract benefits from the growing Indian market.

Apparels are one of the most preferred product categories where young adults also have the authority to make independent buying decisions. It is important to study the purchase behaviour of young adults towards apparels, because apparels are the most frequently purchased item by young adults and they become trendsetters and opinion leaders.\(^{36}\) Whatever young adults do today foreshadows what older demographic groups will follow in the near future.

As young consumers are an important target group for apparels, it is necessary to identify the factors that influence the apparels purchase behaviour. Very less literature is available to know about what this consumer segment looks for while considering apparel brands. Understanding this large segment appropriately is crucial for apparel manufacturers and marketers as they promise longevity of market and exert substantial influence on their parents’, peers as well as their own spending.

\(^{35}\)The Hindu, April 17 2013.
In order to understand the influencing factors for purchasers of apparels among Indian young adults, there is a need to understand their psychographic profiles so that it becomes easy for the marketers to reach out to them or to target and position themselves more appropriately. In India, psychographic profiling of consumers is still in the stage of infancy. There is negligible information available in the public domain regarding the psychographic profile of the Indian youth in the context of the changing retail environment.\(^{37}\)

It is imperative that a psychographic study be conducted by apparel manufacturers and marketers to devise more effective strategies to tap this segment.\(^{38}\) Further, the changing psychographic profile of young adults makes it even more crucial for a continuous longitudinal study to keep track of changes and incorporate them in the art of marketing.

Information on young-adult consumers’ decision-making style will be of much use for organisations targeting Indian markets. Regardless of the fact that the majority of the young adults are college students who are unemployed and their earning comes mainly from educational loans and parental contributions, young adults represent an extremely large and important market segment for many products and services. They are seen as a lucrative market since they have higher than average lifetime earnings and are just beginning a major transition period which is a key time to change previous behaviours.\(^{39}\) Apparel manufacturers and marketers are keen to target this group because they perceive them as potential loyal customers both currently and in the future.\(^{40}\)

The present study analyses the young adults’ shopping styles for apparels from a psychographic perspective where values are considered as the underlying trigger for specific purchase decision-making style. Apparel products are chosen

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\(^{38}\) Srivatsa, H.S R. Srinivasan.R. (2007). Banking channel perceptions; An Indian youth perspective


because they are perceived as aesthetic, symbolic products tied to self-presentation. Knowledge of apparel shopping behaviour will give significant input to develop and/or test theories of shopping behaviour and could guide future research.

STATEMENT OF THE PROBLEM

The young adult population in India is emerging as a powerful consumer segment. Understanding this crucial segment in depth is important to develop specific marketing strategies for business sustainability. The challenge faced by apparel manufacturers and marketers is to understand the young adults’ buying behaviour to capture their attention and convert them into consumers who are brand loyal.

Generalizing the youth segment is a common mistake done by many manufacturers. Some apparel manufacturers have a tendency to dis-regard the young adult segment on the assumption that such customers are not brand loyal. Proof for this is uncertain. On the other hand, there are also those who argue that the purchase habits developed during the young adult phase can remain with consumers for many years after.

While this segment is a potentially lucrative target for many apparel manufacturers and marketers, it is also complex and must be examined carefully. Young adults perhaps form the most difficult demographic group to communicate with. Not only they have a short attention span, they are also hard to describe in terms of media consumption; they are inconsistent in brand preference, and it is extremely challenging to connect to and hold their attention.

Past studies have attempted to establish an association of values with consumer buying decision behaviour. Very few studies have been conducted relating personal values to consumer behaviour of young adults in India. This study aims to gain an insight into the influence of values on the shopping style of the young adults, in the age group of 18 – 25 years, towards apparels. Studies based on consumer values would help marketers understand why they make the choices they do and
help them devise more effective strategies to approach consumers belonging to a particular value segment with appropriate marketing strategies.

It is expected that a psychographic analysis will give a more fine tuned and accurate result on young adults’ buying behaviour than a general study on youth. Hence this study aims to answer the principal research question: Do personal values influence the Shopping Style of Young Adults towards Purchase of Apparels?

This study titled “A STUDY ON THE INFLUENCE OF PERSONAL VALUES ON THE SHOPPING STYLES OF YOUNG ADULTS TOWARDS PURCHASE OF APPARELS IN BANGALORE CITY, KARNATAKA, INDIA” is undertaken by the researcher to answer the research question stated above.

SCOPE OF THE STUDY

The study is conducted in the urban areas of Bangalore which has a cosmopolitan population exhibiting a modern lifestyle. The respondents for the study are young adults who belong to the age group of 18 – 25 years. The variables under study are ten values adapted from Kahle’s List of Values- LOV (1983) and eight shopping styles adapted from Sproles and Kendall Consumer Style Inventory-CSI (1986) and the demographic profile of the respondents. The study restricts only to young adult shopping styles towards purchase of apparels.

OBJECTIVES OF THE STUDY

The following are the objectives of the present study:

1) To identify the values which are perceived to be important among young adults.
2) To segment young adult consumers based on their shopping styles towards purchase of apparels.
3) To examine the relationship between values and shopping styles of young adults towards purchase of apparels.
4) To develop a ‘Value-Shopping Style Model’ and analyze the influence of values on the shopping styles of young adults towards purchase of apparels.
5) To explore the differences in the shopping styles among young adults across demographics such as gender, education levels and regional background, and
6) To explore the differences in the value perception and value orientation of young adults across demographics such as gender and regional background.

RESEARCH HYPOTHESES

The study will also endeavour to establish the validity of the research hypotheses drawn from the objectives and set out below:

H₁  There is no significant influence of values on the various shopping styles of young adults towards purchase of apparels.
H₂  There is no significant influence of values on the various dimensions of the shopping styles of young adults towards purchase of apparels.
H₃  There is no significant difference in the shopping styles of young adults towards purchase of apparels across gender
H₄  There is no significant difference in the shopping styles of young adults towards purchase of apparels across education levels.
H₅  There is no significant difference in the shopping styles of young adults towards purchase of apparels across regional background.
H₆ There is no significant difference in the orientation of young adults towards External Values, Internal Interpersonal Values and Internal Individual Values across gender.

H₇ There is no significant difference in the orientation of young adults towards External Values, Internal Interpersonal Values and Internal Individual Values across regional background.

H₈ There is no significant difference in the level of influence of individual values on young adults across gender.

H₉ There is no significant difference in the level of influence of individual values on young adults across regional background.

CONCEPTS AND DEFINITIONS
1) Young Adults (Sample Base)

For the purpose of this study young adults refer to Male or Female persons aged between 18 - 25 years of age. The age reference for young adults is as defined for youth by the United Nations⁴² and as defined by India Youth Policy 2010⁴³.

Young Adults are a section of the Youth Group. Youth relates to an age group that is transiting between childhood and adulthood and may comprise of a conglomeration of sub-groups with differing social roles, expectations and aspirations. However, there is no uniformity in the definition of youth among different countries.

International definitions of Youth

The UN defines youth as those in the age-group of 15-24 years.

The UNICEF defines youth in the age bracket of 15-30 years.

The Common Wealth defines youth as those in the age-group of 15 to 29 years.

⁴³ http://yas.nic.in/
Tourism Australia defines the youth segment as males and females, aged between 18 and 30 years.

According to the World Bank, ‘The term youth in general refers to those who are between the ages of 15 to 25.’

US Government describes youth as “A person... under 21 years of age”.

The Tasmanian Government defines youth as “People between the ages of 12 and 25”.

**India’s Definition of Youth**

India's National Youth Policy (NYP), 2012 aims to cover the age-bracket of 16-30 years. However, the NYP recognised that all young persons within this age-group are unlikely to be a homogeneous group, sharing common concerns and needs and having different roles and responsibilities. Therefore, it further divides this broad age-bracket into three subgroups:

a) The first sub-group of 16-21 years also covers adolescents whose needs and areas of concern are substantially different from youth under the other age-groups.

b) The second sub-group of 21-25 years includes those youth who are in the process of completing their education and getting into a career.

c) The third sub-group of 26-30 years comprises of young women and men most of whom have completed their education, including professional, and are, more or less, settled in their job and in their personal life.

Indian government organisations such as the Indian Youth Congress and the Akhil Bhartiya Vidyarthi Parishad consider those below the age of 35 as youth. While the youth affairs ministry allows those in the 15-35 age groups to enrol in clubs under the Nehru Yuva Kendra Sangthan, the National Youth Corps pegs the age category at 18-25.
2) **Values (Independent Variable)**

Milton Rokeach (1979), a prominent social psychologist, defines values as “an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence. They serve as a standard or criteria to guide not only action but also judgment, choice, attitude, evaluation, argument, exhortation, rationalization, and… attribution of causality”.

Values are the core principles that an individual upholds in life which directs thought and drives action. Personal values are individuals’ beliefs about what is right or good and what is wrong or bad, and determine not only what is acceptable and unacceptable to individuals, but also what people’s needs are, the way they satisfy those needs, and the way they establish and achieve their goals. Values have profound influence on consumer behaviour.

The values investigated in the study are: self-respect, security, warm relationships with others, self fulfillment, a sense of accomplishment, being well respected, a sense of belonging, fun and enjoyment, simplicity and being independent.

3) **Shopping Style (Dependent Variable)**

A Consumer Shopping style is defined as “a mental orientation characterizing a consumer's approach in making choices. It is a basic consumer personality, analogous to the concept of personality in psychology”. It can be identified by measuring general orientations of young consumers toward shopping and buying.

The Consumer Styles Inventory developed by Sproles & Kendall describes eight mental orientation of consumers in their decision-making process viz.,

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perfectionist/high-quality conscious; brand conscious/price equals quality; novelty and fashion conscious; recreational &shopping conscious; price conscious/value-for-money; impulsiveness/Careless; confused by over-choice; and habitual/brand-loyal.

4) Psychographics

Psychographics is the study of personality, values, attitudes, interests, and lifestyles. Since this area of research focuses on interests, activities, and opinions, they are also called IAO variables. Psychographic studies of individuals or communities can be valuable in the fields of marketing, demographics, opinion research and social research in general. They can be contrasted with demographic variables (such as age and gender), behavioural variables (such as usage rate or loyalty), and organizational demographic variables (sometimes called firmographic variables), such as industry, number of employees, and functional area.

When a relatively complete profile of a person or group's psychographic make-up is constructed, it is called a "psychographic profile". Psychographic profiles are used in market segmentation as well as in advertising. Psychographics can also be seen as an equivalent of the concept of "culture" when it is used for segmentation at a national level.  

5) Apparels

The Dictionary meaning of the word ‘Apparels’ is ‘Clothing, especially outer garments; attire.’ In this study the term apparels refers to all types of outer garments- formal wear and casual wear, clothing worn by young adults in India.

6) Value Dimensions

Values are beliefs or mental orientations that are independent in nature. Categorising the individual values into dimensions such as External, Internal Interpersonal and Internal Individual values provides scope for studies to analyse the

46 http://en.wikipedia.org/wiki/Psychographic
47 www.thefreedictionary.com
value orientations of individuals and group them under similar categories for branding and positioning. According to Kahle’s original value constructs, the nine independent values were grouped under three categories which are given in the following table:

### TABLE: 02

**VALUE DIMENSIONS**

<table>
<thead>
<tr>
<th>S.NO</th>
<th>Category of value</th>
<th>Value Label</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>External Values</td>
<td>Sense of Belonging</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>Being well respected</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>Security</td>
</tr>
<tr>
<td>4</td>
<td>Internal Interpersonal Values</td>
<td>Warm relationship with others</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>Fun and enjoyment of life</td>
</tr>
<tr>
<td>6</td>
<td>Internal Individual Values</td>
<td>Self fulfillment</td>
</tr>
<tr>
<td>7</td>
<td></td>
<td>Self-respect</td>
</tr>
<tr>
<td>8</td>
<td></td>
<td>A sense of accomplishment</td>
</tr>
<tr>
<td>9</td>
<td></td>
<td>Excitement</td>
</tr>
</tbody>
</table>

Source:  List of Values – Kahle (1983)
LIMITATIONS OF THE STUDY

1. This study is limited to young adults who belong to the age group of 18-25 years. Due to limited time and cost constraints it is not possible for the researcher to cover the population belonging to other age group.

2. Personal values are culture specific and the study pertains to Bangalore City alone. Hence, findings of the study may not be applicable to other states with different cultures.

3. The study is conducted by drawing sample respondents from the population of young adults residing in the cosmopolitan city of Bangalore in India. Inferences drawn do not provide conclusive evidence to any social characteristics in particular though they aid in identifying underlying trends.

ORGANISATION OF CHAPTERS

The thesis of the study is divided into six major chapters. The first chapter deals with an introduction to the International and National Retail market environment, the Apparel Sector in India, a profile of young adult consumers in India and psychographic segmentation. The chapter also presents the need for the study, statement of the problem, research objectives, research hypotheses, concepts and definitions and limitations of the study.

The second chapter presents a brief profile of Bangalore City, its historical background, geographic profile, population profile and economic profile and a brief profile of five leading Garment Manufactures in India who have a large brand visibility in Bangalore and the Readymade Garments Industry in Bangalore.

The third chapter projects the various literatures reviewed by the researcher that served as the foundations of this study. The literatures are grouped on variable basis and presented in a chronological order within the categories. The four classifications based on variables are: (1) Studies on Values; (2) Studies using Consumer Styles Inventory; (3) Studies on Young Adults; (4) Studies on Apparels/clothing buying behaviour. The research gap and the dimension of the study are also specified. This is continued with the research design giving the blue
print of the methodology adopted by the researcher to attend to the research objectives. It presents a detailed description of the sampling and data collection procedure, and the frame-work for analysis to establish the findings. A detailed description of the various analytical tools used is also presented here.

The fourth chapter presents a detailed description on Personal Values and Shopping Styles. The basis of the model development is elaborated in this chapter. The chapter finally presents a diagram of the proposed ‘Value-Shopping Style Model’ tested in the study.

The fifth chapter presents the detailed analysis of the primary data with the help of statistical tools and the research hypotheses that are being tested. Tables are supported with detailed interpretations and implications.

The sixth chapter presents the significant findings of the study and deals with some concrete suggestions and conclusions.