



## Chapter 2

# What Motivates Young Technology–Literate Consumers in Densely Populated Areas?

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### **ABSTRACT**

*In this chapter, the authors analyze the cultural, technological, and psychological factors that influence online young technology-literate consumer behavior in a densely populated urban area. This chapter starts with a literature review of factors that can explain the online behavior of people from various demographic and cultural backgrounds including education, occupation, income level, gender, ethnicity, and age (as a control). The authors also reviewed several empirical studies that examine online consumer behavior in India, where the population is the second highest in the world and a leader in global technology services. The purpose of the study is to develop a multi-cultural model that could predict the emerging shopping pattern of young and highly connected consumers in the high technology use metropolitan area, specifically in Northern India. The results can be used to generalize other online consumer behavior in other similar highly populated communities where internet technology use is high.*

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## **INTRODUCTION**

There has been a dramatic increase in consumer shopping on the Internet in India (Nittala 2015). At 1.32 billion, India has the second largest population in the world after China although the Internet penetration is quite low and comprised mostly of young technology-literate people at or under the age of 30 (Khare 2016). Hence, the study of people in a densely populated urban area of India provides an ideal basis to study the online consumer behavior of the emerging technology-literate young generation while knowing or controlling for country level characteristics such as national culture, technological maturity, as well as examining the individual level psychological factors.

A review of the literature indicated that two broad approaches were being used to empirically examine consumer Internet behavior: psychological and technical. The consumer psychological approach for studying Internet behavior has focused on examining demographics, social factors, shopping motivation and personality orientation (Dennis et al. 2009; Zhou et al. 2007). The technology approach for examining consumer Internet behavior has focused on technical specifications of the website, payment, user intention, and ease of use (Dennis et al. 2009; Zhou et al. 2007). The authors have included an additional dimension, i.e. cultural factors to examine the influence of various cultural dimensions on online consumer behavior. According to Yoon (2009), e-commerce has an international scope so national culture can have an impact on the behavior of the consumers.

The authors have reviewed the various national cultural models and examined the various national cultural dimensions that are likely to influence online consumer behavior. Young technology-literate consumers, in particular, form a key demographic for online marketers as their Internet usage is significantly higher. As online shopping has already reached a saturation point in most of the European countries and in the USA, large online retailers, including Amazon and Walmart are focusing on countries with dense populations. The BRICS countries, namely, Brazil, Russia, India, China, and South Africa offer an opportunity for online companies because of dense population and low penetration rates in the context of online shopping. This chapter provides an understanding of the factors that motivate young technology literate consumers in dense population areas with focus on India. Therefore, the objective of this study was to develop a multi-cultural model that could predict emerging young consumer behavior in a high population high technology use metropolitan area, specifically India.

**Problem and Background** Marketing managers and other researchers do not have a current research model to use for studying the younger emerging generation of technology-literate consumers in densely populated BRICS regions with the national cultural dimensions unique to India. Since large retailers are expanding into BRICS regions, including India, new product developers and marketing professionals in these companies will need to understand the online behavior of the emerging generation of young technology-literate consumers, otherwise a lot of investment could be wasted and the national economy of India could suffer.

Online shopping provides several benefits to consumers as compared to the traditional offline shopping channels. These benefits include availability of information and lower information as well as search costs (Hwang & Jeong, 2016). There have been significant advances in technology over the last couple of decades because of which online shopping is gaining increasing popularity. However, there have not been any studies of the online behavior by young technology-literate consumers in a densely populated urban region of a BRICS country, specifically northern India.

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