



PARTICULARITIES OF THE EUROPEAN CONSUMER'S BEHAVIOR IN ONLINE ENVIRONMENTS

DURALIA Oana

Lucian Blaga University of Sibiu, Romania

Abstract:

Although it is no longer a novelty that the Internet has now become “fashionable”, being a means of informing, socializing and trading, which is being increasingly used by the general public, it is now imperative to study the implications of its use both on the consumer, including all the roles that it can take (initiating, financing, influencing, decision making, actual consumption of goods and services) and on the marketer, who is forced to consider the Internet as a marketing tool that can be used as a lever to generate positive reactions from the consumers. Against this background, the orientation of the individuals towards the online environment, defined by specialized literature as “the second life”, comes to justify, on the one hand, the consumers’ need for social interaction, and, on the other hand, the need for comfort and speed in identifying optimal alternatives. This paper aims to address only a facet of the behavior of the digital consumer, proposing a theoretical and instrumental analysis of the purchasing behavior of online goods and services.

Key words: e-consumer, purchase decision, factors of influence, omnichannel shopping

1. Introduction

The changes the contemporary society has undergone in recent decades in terms of reducing the time individuals need in order to meet their own needs, while emphasizing the need for comfort, has led to the necessity to implement associated products and services, in order to meet the new needs of the consumers.

Consumers’ acceptance of the Internet as a means to inform, compare and purchase various products and services has resulted in what the specialized literature defines by the concept of e-consumer.

Unlike the traditional consumers, who are more conservative and more constant in their choices, the e-consumers manifest a greater openness to change, being more available to try new possibilities. (Belinger & Călin, 2011)

Furthermore, the e-consumer is more concerned by the functional characteristics of the products, and implicitly by the utility entailed by the consumption. (Brown et al, 2003)

Therefore, a portrait of the e-consumer describes them as an innovative person with above-average education levels and with a relatively high socioeconomic status. (Dennis et al, 2008)

Nevertheless, research conducted by several specialists in the last decade, reveals that the guidelines of the online consumers are broadly similar to those of the offline consumers, a favorable image of choice in terms of the brand or of the seller being determined by the price and services offered to the buyers. (Jayawardhena et al, 2007; Rohm & Swaminathan, 2004)

In addition, although the alternative offered by the media and the internet in particular are considered innovative means of communication, the human characteristics remain constant over time, as the "intangibility" of the online environment remains a challenge both for the present and for the directions of the future development. (Haugtvedt, Machleit and Yalch, 2005)

A GfK FutureBuy study, published in June 2016, compares the reasons that determine consumers to purchase from online as opposed to offline environments. So, the price, the time saved and the diversity of choices are highlighted as benefits of online purchases, while face to face interaction and the chance to benefit from the purchased product immediately are mentioned as advantages of the purchases made in stores.

Extremely interesting is the fact that four of the motives that determine online purchases are found among the top five determinants of offline purchases (www.gfk.ro):

Table 1: Comparative analysis of the reasons for online vs offline purchases

Reasons for online purchases	Frequency	Reasons for purchases made in the physical store	Frequency
Money saved (better prices)	55%	Possibility of trying out the products before buying	51%
Easier shopping	28%	Easier shopping	33%
Variety of products	26%	Easier return of products	29%
Faster shopping	25%	Routine	28%
Access to better information	21%	Access to better information	22%
Routine	21%	Money saved (better prices)	22%

Source: www.gfk.ro

2. Characteristics of the online purchasing behavior

As previously mentioned, the contemporary consumer is facing a number of challenges related to the lack of time, against the backdrop of the existence of a variety of alternative information and decision-making media.

Thus, in recent years, the market has revealed a new segment of consumers known as Xtreme Shoppers, defined as buyers who are using any media and technologies available to achieve optimal alternatives offered by the market. A study published by GfK reveals that 67% of these consumers use the Internet for information, while 38% actually go see the actual product in the store after they purchase it online or from another retailer. (www.gfk.com)

In this context, using the Internet as an external source of information as well as a means of purchasing goods and services appears to be the optimal solution. But what happens when the consumer needs to select, organize and interpret online stimuli? If the availability and sufficiency of information today are no longer the evaluation criteria to raise issues for consumer during the information stage related to the decision-making process, what can be said about the relevance of the information available on the Internet?

An extremely interesting approach of the constraints affecting consumer behavior during the decision making process of online purchases (figure1) is presented by Paul Henry in the 16th chapter of the book entitled "Online Consumer Psychology - Understanding and Influencing Consumer Behavior in the Virtual World" (Haugtvedt, Machleit and Yalch, 2005):

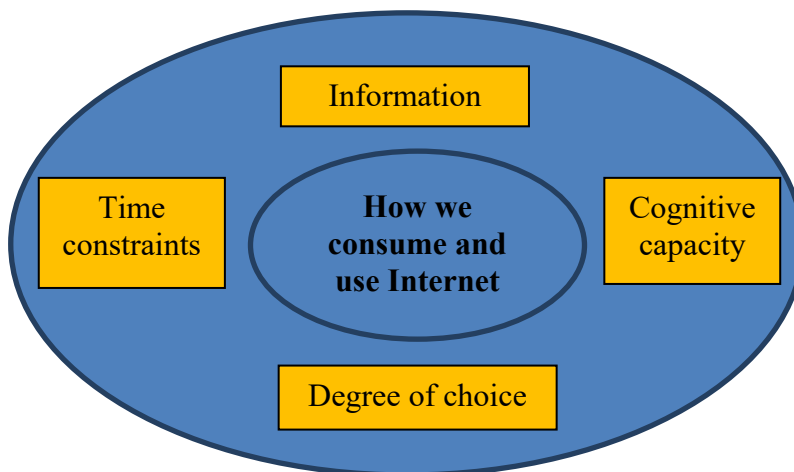


Figure 1. Constraining factors in consumer decision making

Source: Paul Henry, Chapter "Is the Internet Empowering Consumers to Make Better Decisions, or Strengthening Marketers' Potential to Persuade?" in the paper - "Online Consumer Psychology-Understanding and Influencing Consumer Behavior in the Virtual World" authors: Curtis Haugtvedt, Karen Machleit, Richard Yalch, pp.349, 2005

As observed, the impact of three of the above-mentioned factors is well known and relatively easy to understand; we are dealing with a period in which the consumer is affected by time pressure, seen as a scarce resource which he needs to use to inform himself via extremely diversified media channels, so as to succeed in making the best choices out of the many alternatives that the market offers.

The big challenge remains the way in which the consumer succeeds to analyze, interpret and integrate the information obtained (cognitive ability) and turn it into useful and valuable knowledge. (Haugtvedt, Machleit and Yalch, 2005)

In what regards the influencing factors that enhance the online purchasing behavior, the services associated with the sale (transaction security, warranty, service) and the ease of purchase, personalizing the experience and the possibility of a comparative analysis of the offers are key factors in determining the consumers' purchasing behavior. (Bourlakis, Papagiannidis and Fox, 2008)

Another approach of the factors influencing the online purchasing behavior belongs to teachers Ujwala Dange and Vinay Kimar (figure 2), who founded the so-called "FFF" model, starting from the three categories of influences exerted on buyer behavior in online environments, namely: internal and external factors that may cause the buyer to make online purchases, information filter factors through the prism of the risk perceived by the online purchaser, and purchase decision filtering factors, related to the manner in which the consumer evaluates their own expectations and motives as a result of the action of all the influences mentioned above (<http://ecommerceinsiders.com>):

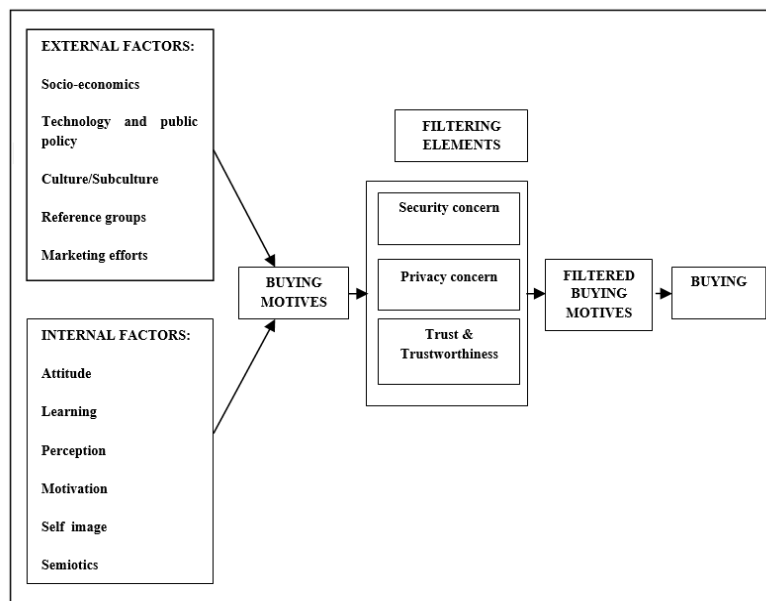


Figure 2. The FFF Model of Online Consumer Behavior

Source: Ujwala Dange and Vinay Kimar, retrieved from <http://ecommerceinsiders.com>

In contrast, however, the risk factors that consumers perceive in terms of online shopping must also be taken into account. Thus, we can emphasize factors such as: transaction security, lack of confidence in the e-retailer and, not least, the delivery time, which delays the use of the goods by the consumer. (Anon, 2002)

From a distinct perspective, Forsythe and Shi classify the risks perceived by online consumers in no less than six categories, as follows (Forsythe and Shi, 2003):

- Financial risk
- The product performance risk
- The social risk
- The psychological risk
- The physical risk
- Time/convenience risk.

As a result, we can assert that, regardless of the mode of acquisition, be it online or offline, the cognitive and affective components acting at every stage of the decision process and the intensity with which they manifest are closely correlated with the experience of the buyer, the importance and usefulness of the purchased product, and, not least, with the risks perceived by the buyers.

3. Secondary data sources research on online purchasing behavior of the European consumers

The digital market is by now a sector of interest at European level, as this market has recorded a growth rate seven times higher than other economic sectors in recent years. (www.europa.eu)

In what regards the offer available to consumers in the online environment, data published by the European Commission in March 2015, in the Flash Eurobarometer no. 413 survey, aimed at analyzing the activity of the companies involved in online sales, shows that at the level of E.U. 28, a percentage of 25.7% of the total sales comes from online companies. In addition, 85.4% of the online sales in 2014 are generated by transactions within the borders of the country, while 10.3% of the sales belong to E.U. member countries markets and 4.3% of the sales come from outside E.U. (figure 3)

The increased interest in recent years regarding the use of the online environment both by consumers and by bidders, has led to the emergence of a real concern for creating a digital single market in Europe. According to forecasts published by the European Commission, the existence of a Single Digital Market would mean an extra 415 billion euros, attracting at the same time a number of other socio-economic benefits such as: creating new jobs, increasing investment and the degree of technological innovation and not least, increased competition, which may result in an amplified competitiveness of the bidding companies, a process from which the European consumers would benefit. (www.europa.eu)

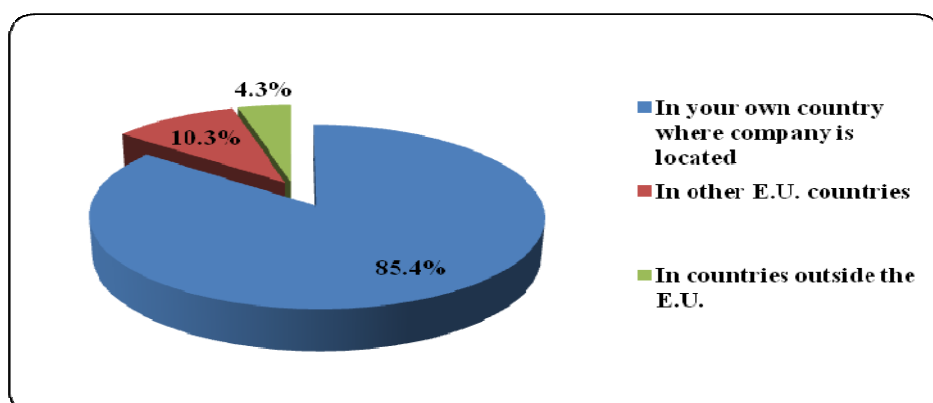


Figure 3. Regions in which companies sold online in 2014

Source: European Commission, FlashEurobarometer no.413, March 2015, p.12

Against this backdrop, we can observe the interest of the European Commission in studying the attitude that the European consumers display towards the new communication and trading tools offered by the Internet, in close correlation with measuring the expectations of the consumers related to the need for safety.

Consequently, in what regards the perception that consumers have on the possibility of controlling personal data provided on the Internet, only 15% of the surveyed Europeans declared they have total control over the data provided, while at the other end of the spectrum, a rate of 31 % of the respondents admitted they have no control over their personal data. The majority of the respondents confessed that they have only partial control over the personal data they supply online (Figure 4):

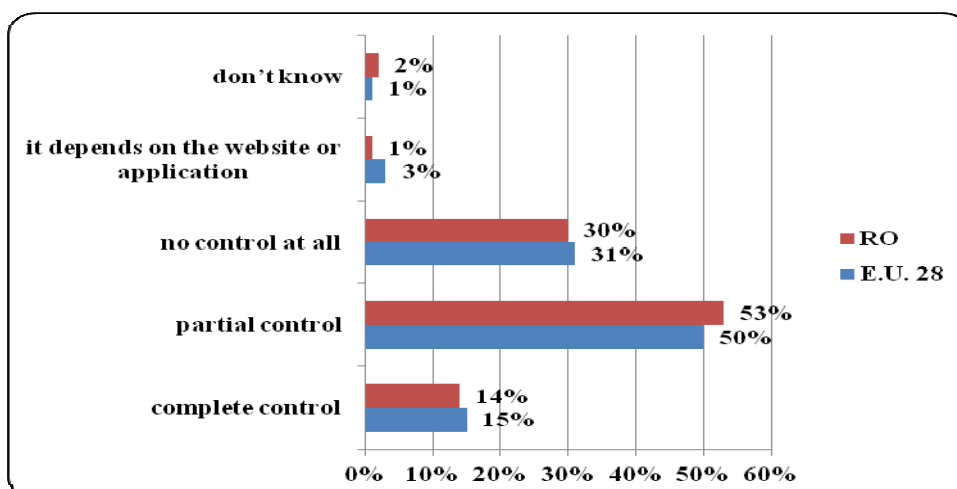
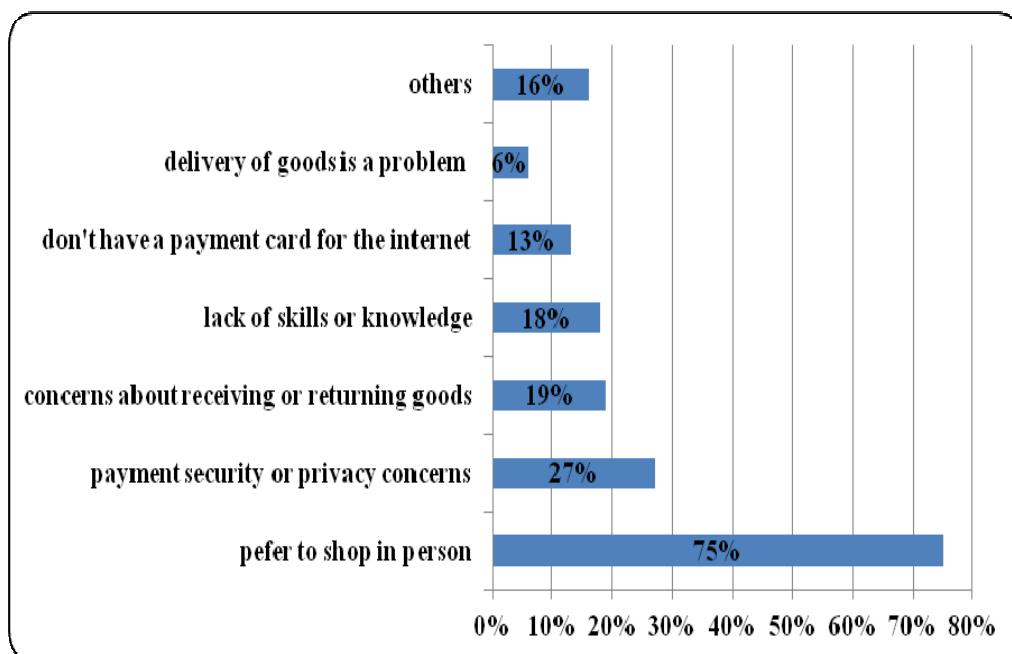


Figure 4. Perceived control over personal data

Source: European Commission, SpecialEurobarometer no.431, March 2015, p.9

The information on the perception of the consumers in terms of the security of personal data are complemented by data generated by a Eurostat study, published in December 2015, which highlights the main factors perceived by the European consumers as barriers limiting online purchases (Figure 5):



**Figure 5. Perceived barriers to buying over the internet
(multiple answers possible)**

Source: European Commission, www.eurostat.eu/eurostat

Despite the risks perceived by consumers in what concerns online purchases, a percentage of 53% of the European consumers usually buy online. European countries with the highest percentage of buyers that purchase products or services on the Internet are: UK (81%), Denmark (79%), Luxembourg (78%). These are contrasted by Cyprus (23%) and Bulgaria (18%), while Romania occupies the last place with a percentage of 11% of e-buyers.

The main categories of products purchased by E.U. 28 consumers in 2015 were: clothing and sports goods (60%), holidays and travel packages (52%), household goods and toys (41%).

In Romania, the preferences of the consumer in terms of goods and services purchased online broadly follow the same ordering, for the first and second place, while book and magazine purchases rank third in the top of the Romanian online purchases (Figure 6):

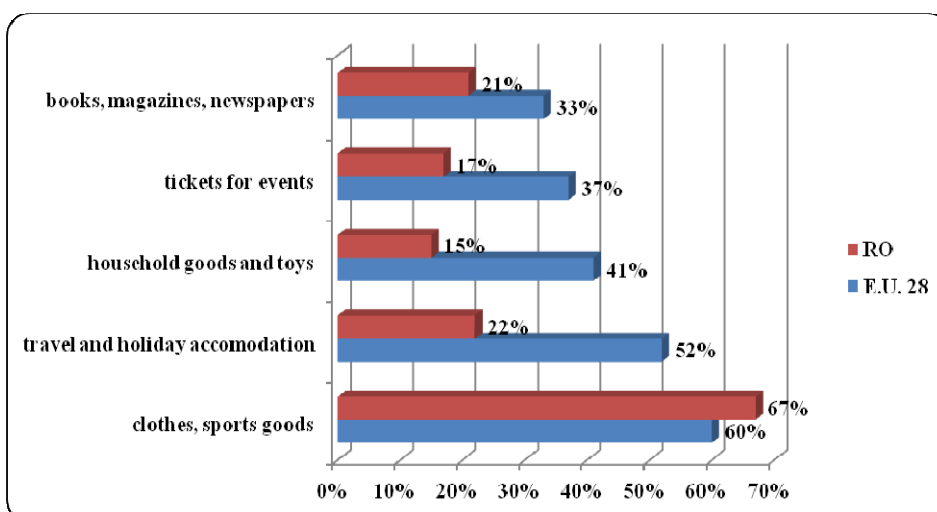


Figure 6 Individuals purchasing selected goods and services over the internet, 2015 (multiple answers possible)

Source: European Commission, www.europa.eu/eurostat

4. Conclusions

Despite the risks perceived in the process of buying online, consumers favorably appreciate the diversity of the product range, being able to perform comparisons between the available products and services with minimal time effort and costs, which facilitates the choice of the optimal alternative.

Since tangible representations aim to facilitate the consumer's perception on the quality of the services provided online, which are par excellence intangible, we can assert that personal experience, complemented by references from other buyers and information concerning the product are decisive in the process of buying online.

In order to be successful in the future, bidders must create a mix between online and offline offers, since the factors that enhance the consumer's purchasing behavior is generally the same. Consequently, the new concept of "omnichannel shopping" is gaining more and more supporters, while the marketing of both online and offline products gives the consumer the opportunity to choose the right product, at the right price, using the most suitable marketing method and employing the appropriate promotional manner in line with their needs.

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