UNDERSTANDING THE ONLINE CONSUMER BEHAVIOUR AND THE USAGE OF THE INTERNET AS A BUSINESS ENVIRONMENT – A MARKETING RESEARCH

DUMITRESCU Luigi¹, ORZAN Gheorghe², FUCIU Mircea³

"Lucian Blaga" University Sibiu, Bucharest University of Economic Studies, Romanian-German University, Sibiu

Abstract

The society that we live in is in a continuous state of change. The last years of developments in the field of communication, technology, information and marketing have created new shifts in the way the consumers inform and buy certain products and services. Our paper aims to underline from a theoretical point of view the concept of consumer behaviour, the decision making process, in the online context. We are also presenting a second part of a quantitative marketing research with regard to the consumers' point of view related to the usage of Internet, the consumer behaviour for Internet based purchases and the main information sources and activities undertaken online.

Keywords: internet, online consumer behaviour, perception, marketing, marketing research

JEL classification: M31, M39

1. Introduction

In the last two decades, the consumers have become more and more accustomed with using the Internet as means to inform themselves about products or services and about other information in general. The strong

Professor, Ph.D., Faculty of Economics, "Lucian Blaga" University, Sibiu, Romania, dumitresculuigi@yahoo.com

² Professor, Ph.D., Faculty of Marketing, Bucharest University of Economic Studies, Bucharest, Romania, orzang@ase.ro

³ Teaching assistant, Ph.D. student, Faculty of Economics, Romanian-German University, Sibiu, Romania, mirceafuciu@yahoo.com

development of the information and communication technologies of the last years has also created an environment that, on one, side the companies can promote, sell, and distribute their products or services and, at the same time, it has given the consumers (individuals or organized entities) the possibility to buy the products or services that they need. It has become ever so important for the companies of the 21st century to understand how the consumers use the Internet. They must be aware of the advantages that such knowledge can bring in order to better prepare their marketing and sales strategies.

We see today more and more individuals with laptops, tablets, smart phones and even smart watches that are permanently connected to the Internet, to online social media websites or to their email account. These new communication technologies can be used by the companies to reach their current and potential consumers faster, permanently (24/7) and to every corner of the world. Our paper, which is the second part of a larger research (Fuciu and Dumitrescu,2014), underlines the importance of understanding how the Romanian consumers of the 7 Centre Region use the Internet, if they have used it for shopping, how they use the Internet for the decision making process of a certain product or service etc.

2. Literature review

We as individuals and at the same time as consumers live in world that finds itself in a constant state of change and at the same time we are subjected to an important number of challenges and at the same time we challenge the companies to offer the best product or services at any time and almost everywhere in the world. In this section of the paper we are presenting a brief overview of the literature in the field of consumer behaviour, the development of the internet as a business environment as well as the main advantages and disadvantages for the consumers and the companies for using the internet in doing business.

As stated before, the first step in our scientific approach is to understand the concept of consumer behaviour, the main stages of the decision making process and the elements that influence this behaviour in an online environment. In the last decades, the consumer has become more and more the focal point of the marketing and communication strategies of the companies, the concept of consumer and of consumer behaviour have been studied in the field of marketing since the mid '60 (Kroeber-Reil in Catoiu and Teodorescu, 2004, p.14). But what is the consumer behaviour? According to the American

Marketing Association (marketingpower.com, 2015) consumer behaviour is defined as: The dynamic interaction of affect and cognition, behaviour, and the environment by which human beings conduct the exchange aspects of their lives. Philip Kotler (Kotler et. al. 1998, p. 341) defines the consumer behaviour as: the behaviour of individuals or households which buy goods and services for the final consumption. Other authors (Solomon et. al, 2010, p. 6; Hawkins, 2007) define the consumer behaviour as the study of all the processes involved in the individuals or groups of individuals' activity which choose, buy, use or dispose of products, services or ideas that lead to satisfying the needs or wishes of consumers.

The Romanian marketing specialists (Florescu et. al., 2003, p. 154; Cătoiu and Teodorescu, 2004, p. 14) have agreed on a clear definition of the consumer behaviour concept as being: all the decisional acts of the individual or of the group, directly linked to obtaining and using products and services, in order to satisfy present and future needs, including all the decision making processes that precede and determine these acts. From all the above mentioned definitions and also from many others (Purcărea și Rațiu, 2007, p. 29; Yadin, 2002 etc.), we can clearly see a pattern that emerges in defining consumer behaviour. This pattern contains the following characteristics:

- Consumer behaviour relates to individuals as well as to groups or organizations;
- It always contains the concept of satisfying a certain need or wish, weather it is a personal or an organizational one;
- It always involves a certain process that leads to the decision;

As we can see the consumer behaviour has been clearly defined in the last decades. But, by the development of information and communication technologies and of the Internet in particular, a question has arisen. Do these definitions still apply to the online consumer behaviour? Or something has changed in the wake of the new shifts that take place in the theory and practice of 21st Century marketing?

We can find one answer in a fairly recent book (Close, 2012), which presents the online consumer behaviour in the context of social media and advertising. Like we have stated before, in our paper, and in other authors' opinion (Cummins et al, 2014; Hess et. al., 2011) we can see a shift in the way the consumer behave when they use the online environment on their acquisition process.

According to Close (2012, p. xi - xii), the consumer behaviour concept has not changed greatly, it has only been improved by the addition of the online environment. In this day and age, the consumer buying behaviour of products or services is related to stores that are online and offline. In consequence to the great involvement of the online environment in the consumers' lives, the marketing researches had to rethink how they study consumer behaviour. One of the major impacts of the WWW is to make available to the consumers, from all over the world, products and services at any time and almost everywhere.

Recent studies (Darley, 2010 in Cummins, 2014) have shown that in the last 2 decades the interaction between the consumer behaviour and the online environment has received a steady stream of conceptual and empirical attention. In 2013 (Pomirleanu et. al, 2013) the authors have shown that more than 26% of the internet articles related to marketing are about the concept of consumer behaviour and 17% of all the articles are related to the relation between internet, social media, marketing and consumer behaviour. As we can see, the concept has not been greatly affected by the new challenges of the ICT, but the practice and the application of the concept in the field have been greatly affected by the internet and all the related technologies.

In relation to the decision making process of the consumer in the offline and the online behaviour, the components of the said process stay the same (Kotler and Armstrong, 2008, p. 209; Cătoiu and Teodorescu, 2004): (1) Recognising the need; (2) Information search; (3) Evaluating the options; (4) Decision making; (5) Post purchase behaviour. But at the same time, the consumer behaviour in general and the online consumer behaviour in particular are influenced by certain factors:

- Price the consumer can use the price to assess the product, to compare it to other products, to judge its relative value etc. (Brassington and Pettitt, 2000).
- Trust the consumers usually focus on their own safety, and on their safety needs but also want to satisfy this necessity before making the purchase (Brassington and Pettitt, 2000).
- Convenience is a benefit in the eyes of the consumer and a quality that is derived from the purchase over the Internet. This element usually motivates the consumers, because they desire to buy from everywhere at any time (Constantiniades, 2004).

The second step in our literature review concerns the development of the Internet as a business environment as well as the main advantages and disadvantages for the companies and the consumers. The new tools offered by the information age have changed the way of life of the consumer in the same way new technological advancements and the development of new marketing channels have increased the business scene (Gray et. al., 2009, p. 11). Starting from these premises, modern companies are encouraged to thing outside the box, to be inventive and creative but in the same time they encourage the consumers to become more entrepreneurial. The Internet has provided marketing with several new tools that help experts in the field to come more quickly to meet customer needs and had a crucial impact on how buyers and sellers communicate. In the past 20 years, especially since 2000, new digital media marketers enable greater creativity, accuracy and measurement capability to lead consumers through the stages of decision (Gray et.al, 2009, pp. 389).

The emergence of the Internet has favoured, in addition to changing the media and communication channels, the expansion of the marketing research to the new virtual space. In the past years more and more organizations have turned to marketing companies that organize online marketing research campaigns. There are many ways an organization can conduct an online marketing research. Companies can include their website in a questionnaire and provide an incentive for completing it, or add this questionnaire on a well known website, such as Yahoo which invites visitors to answer a few questions and possibly to win a prize (Kotler and Keller, 2008, p. 166). But all this has created a series of advantages and disadvantages for the companies.

Among the most important advantages of the Internet for a business, to which we subscribe, we should mention (Palla, 2012): (1) Low / reduced expenses – using the online environment costs less, you pay one fee and you have access to Internet, phone, mail, etc. (2) Access to more clients / consumers – the Internet allows connecting to consumers from all over the world. There are millions if not hundreds of millions of individuals that use the web every day and if your company has a website these people can enter into contact with you. (3) Online sales – if you have a website, you can create an online shop that allows you to sell your products or services all over the world. (4) Create / improve customer care – if you take your business to web, your customer service will definitely improve. On the company's website the

customers should be able to access details about your products and can comment, complaint and suggest on your products or services.

But at the same time, the usage of the Internet has brought forth several disadvantages that the companies have to take into account if they want success: (1) *Reduce the anonymity* – when you are online, when you create an online profile, either you are a company or an individual you have no anonymity. Every move you make or your company makes is monitored, discussed and passed on. (2) *Time consuming* – owning and managing a web site profile can be time consuming. If you create a strategy of communication based on the online you have to be prepared to spend long periods of time online. (3) *Internet can't be controlled* – an individual or a company has no control over comments, complaints and suggestions on your company, products, service.

3. Research methodology

As stated before this research is part of a larger marketing research (Fuciu and Dumitrescu, 2014) that underlines the importance of understanding how the Romanian consumers of the 7 Centre Region use the Internet, if they have used it for shopping, how they use the Internet for the decision making process of a certain product or service, therefore the research methodology is the same as in the previously mentioned paper.

After several initial researches in the field of online consumer behaviour and online social networks (Fuciu et. al, 2012; Fuciu and Gorski, 2012) and a qualitative marketing research developed previously (Fuciu et. al, 2014), we have continued our research in this field by developing a quantitative marketing research where we aimed to understand how the internet is used by the consumers in the decision making process and what their point of view related to the online environment as a business one is. Following the scope of the research, we are presenting in this paper only some of the specific research objectives like:

- O_1 Identifying the internet frequency of use by the consumers;
- O₂ Determining the main means of connecting to the Internet;
- O_3 Knowing the main types of web pages used by the consumers;
- O₄ Determining the consumers' willingness to start an online business;
- O₅ Determining the main types of businesses that the consumers would start online

- O₆– Identifying the importance on the Internet in relation to the decision making process;
- O₇– Determining the online shopping behaviour;
- O₈ Identifying the main online sources of information used by the consumers in the decision making process.

In order to meet the objectives of the research we used a quantitative marketing research based on a questionnaire, which had several structured questions. In order to verify and pre-test the questionnaire for the quantitative research we organized a qualitative research in the form of a focus group and certain semi structured in-depth interviews with internet and online social networking sites users.

During the focus group we have presented the draft of the questionnaire for the quantitative research and with the help of the participants, we have analyzed whether the questions are fulfilling the objectives of the research or not. Following the suggestions made by the participants we have developed the final version of the questionnaire that was used in the quantitative research.

The questionnaire for the quantitative research is formed of: 37 questions divided in 4 parts (Internet usage; Using OSN; The Internet as a business environment; Demographic profile) from which: 19 closed questions, 11 closed questions using 5 step Likert scale, 2 mixed questions and the rest of the questions are closed demographic questions. We have established a representative sample of 267 respondents (with margin of error of 6 %) representing OSN and Internet users of Sibiu County, using the following formula (Cătoiu, 2009):

$$n = \frac{\mathbf{t}^2 * \mathbf{p} * \mathbf{q}}{\mathbf{e}^2}$$

Where: n - The dimension of the sample; t - The probability coefficient associated with guaranteeing the results of the research; p - The non percentage share of the sample components which are characterized by one attribute; q - The non percentage share of the sample components which are not characterized by one attribute; e - Margin of error. In our case we have distributed 788 questionnaires, and only 283 respondents have filled out the questionnaire, which represents a response rate of 35.91%.

4. Research results

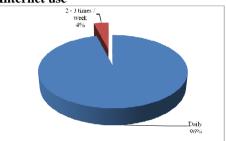
Following the elimination of the invalid questionnaires, the codification of the answers and using the SPSS 19 programme, we have analysed the date collected by the research operators. After the analysis of the data and the interpretation of the information collected we can present the following results of our research:

a) O_1 – Identifying the internet frequency of use by the consumers

Figure 1: Time since is an Internet users

Over 9 years 64%

Figure 2: Frequency of Internet use



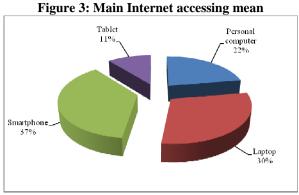
Source: Authors' computation

Source: Authors' computation

The analysis of the information received from the respondents, which answers O_1 is presented in figures 1 and 2. As stated in the previous paper (Fuciu and Dumitrescu, 2014) the respondents stated in a great majority (64%) that they have become Internet users since more than 9 years ago; 28% of the responses stated that the Internet usage was started between 7 and 9 years ago. The rest of 8% represents Internet users that have become active 4 to 6 years ago. Related to the main purpose of O_1 , 96% of the respondents state that they use the Internet daily.

b) O_2 – Determining the main means of connecting to the Internet

Figure no. 3 shows the main technology means used by the respondents to access the Internet on a daily basis. As we can see, 37% of the respondents use smartphones; 30% of the respondents use as main means the laptop; 22% of them are using the personal computer (PC – desktop); and the rest of 11% of the respondents use an electronic tablet. The results presented in this objective are in a clear trend with the positive and explosive evolution of the smartphones sales especially in emerging countries (GFK, 2014).



Source: Authors' computation

c) O₃– Knowing the main types of web pages used by the consumers

Regarding O₃ we have asked the respondents to choose the types of web pages that they visit on a daily basis. For this question we have used a 5 step Likert scale (where 1 – Very little use, 5 – Used extensively) and we have calculated the scores for each item chosen by the Internet users. We have also calculated a general score (2,79) that represents an average level of Internet use. The detailed choices made by the respondents are: (1) Web mail – 4,39; (2) Online social networks – 4,23; (3) News sites – 3,12; (4) Online shops – 2,75; (5) Companies pages – 2,66; (6) Encyclopaedias – 2,58; (7) Entertainment pages – 2.38; (8) Project pages – 2,30; (9) Public administration pages – 2,04; and (10) Online auction sites – 1,5%;. We can see an average level of usage of the Internet with the clear exception of the public administration and online auction pages.

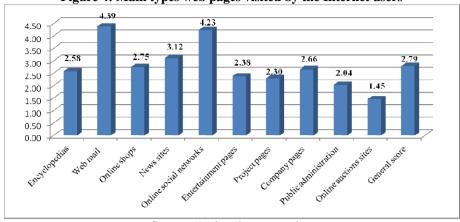


Figure 4: Main types web pages visited by the Internet users

Source: Authors' computation

d) O_4 – Determining the consumers' willingness to start an online business

The forth objective of our research is related to the question that we have asked the respondents in connection to their willingness to start an online based business. The research results can be seen in figure 5.

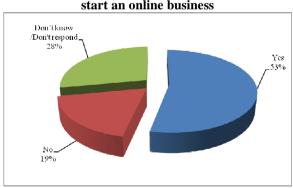


Figure 5: The respondents' willingness to start an online business

Source: Authors' computation

The 5th figure shows us that 53% of the respondents have stated that they want to start an online based business, 19% of the respondents have mentioned

that they did not desire to start such a business. The rest of 28% of the respondents underlined that they do not know or they did not desire to answer this question.

e) O_5 – Determining the main types of businesses that the consumers would start online

As a natural continuation of the previous presented objective we have asked the respondents, which underlined their desire to start an online based business, to name a field of activity in which they want to initiate such a business. The main areas mentioned by the respondents were: online clothing store; online shoe store; interior design; online flower shop; career counseling, cosmetics and related accessories, IT and electronics online shop; management and marketing consultancy; online bookshop etc.

f) O_6 – Identifying the importance on the Internet in relation to the decision making process

In order to fulfil this objective we have asked the respondents to rate the importance of the stages of the decision making process in relation to the usage of the Internet. For this we have used a 5 step Likert scale (1 - very little importance; 5 - very important). After the analysis of the information we have determined the following:

- Recognising the need -3,00;
- Information search 4,06;
- Evaluating the options -3,95;
- Decision making 3,57;
- Post purchase behaviour 3.31.

As we can see from figure 6, the 5 stages have been evaluated with 3,00 and above, which means an average and above average importance, the most important stages (evaluated at 4,06 and 3,95) are information search and evaluating the options chosen after stage 2. We have also calculated a general score of 3,58.

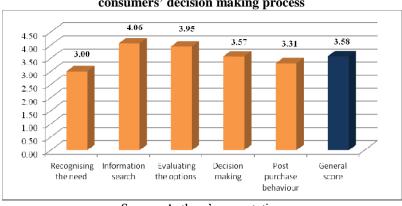


Figure 6: The importance of the Internet in connection to the consumers' decision making process

Source: Authors' computation

g) O_7 — Determining the online shopping behaviour of the consumers.

In order to determine the online shopping behaviour of the consumers, we have asked the respondents several questions: (1) Have you ever purchased a product / service from an online shop? (2) What is the online purchasing frequency? (3) The average amount of money spent for online purchasing for a 3 month period? (4) What is the preferred paying method for online purchases?

Regarding the 1st question (*Have you ever purchased a product / service from an online shop?*) in this package, the responses were: (1) Yes, I bought a product or a service from an online source -65%; (2) No, I have not -35%. The distribution of the responses for the 2nd question (*What is the online purchasing frequency?*) are - at this question answered only the respondents that answered "Yes" at the previous question: (1) Several times / year -70,1%; (2) Monthly -20,8%; (3) Weekley -7,8%; (4) Daily -1,3%.

The 3rd question assigned to this objective (*The average amount of money spent for online purchasing for a 3 month period?*) has offered us the following results: (1) Less than 50 lei – 33.8%; (2) 50 – 100 lei – 20.8%; (3) 101 – 200 lei – 22.1%; (4) 201 – 300 lei – 9.1%; (4) More than 300 lei – 14.3%; The 4th and last question related to O₇ (*What is the preferred paying method for online purchases?*) closes this objective by offering us the following results: (1) Payment on delivery – 66,2%; (2) Online payment by credit card – 23,4%; (3) Online payment using PayPal – 6,5%; (4) Bank

transfer -2.6%; (5) Don't know -1.3%. From the above mentioned information, we can determine a clear behaviour of the respondents that have participated in this research with regard to their online purchasing behaviour.

h) O_8 – Identifying the main online sources of information used by the consumers in the decision making process.

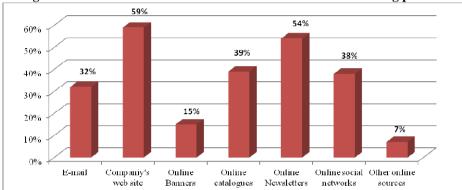


Figure 7: Main online information sources for the decision making process

Source: Authors' computation

Figure no. 7 clearly shows the distribution of the respondents online information sources that they use in the decision making process. We can understand clearly this distribution especially from the main responses offered: Company's website – 59%; Online newsletters – 54%; Online catalogues – 39%; Online social networks – 38%; Personalized email – 32%; Online banner – 15%; Other online sources – 7%. Even though we can understand the main options, the online banners as information sources with this low level are relatively hard to understand, because they are meant to draw the attention to certain products or services or to certain marketing or sales campaigns. This aspect must be further investigated in future researches in the online behaviour of Internet users.

5. Conclusions

The development of the information and communication technologies in the last decades combined with the creation and strong implications of new

interaction means between the consumers and the companies has created a new and innovative environment for the companies and for the marketing specialists to propose and implement new strategies based on the online environment. The present paper was developed in order to find out more about the impact of the internet on the consumer behaviour for certain products or services. The qualitative and subsequently the quantitative marketing research developed in the 7 Center Region of Romania presented in this paper, which is part of a larger marketing research that was partially published (Fuciu and Dumitrescu, 2014), has presented the following results:

- 64% of the respondents have been internet users for more than 9 years;
- 96% of the Internet users, have been using the online environment daily;
- The main connection devices to the Internet are the Smartphone and the Laptop;
- The main web pages visited by the Internet users are: Web mail and online social networks sites;
- The majority of the respondents (53%) would start an online based business;
- The main online businesses would be in: online clothing store; online shoe store; interior design; online flower shop; career counselling, cosmetics and related accessories, IT and electronics online shop; management and marketing consultancy; online bookshop;
- The main stages of the decision making process that are considered to be the most important by the respondents in relation to the Internet are: Information search and Evaluating the options;
- 65% of the respondents have bought a product / service from an online source:
- 70% of the respondents are buying from online sources several times / year;
- The preferred method of payment is: payment on delivery;
- The respondents spend between 50 100 lei in a 3 month period from online sources;
- The main information sources for the decision making process are: the company's website and the online newsletter.

If the managers want to be successful in their online businesses and if they desire to create online communication and marketing campaigns that are properly targeted and which can reach the maximum amount of actual and potential clients, they have to be aware of the profile of the Internet users as well as their online and offline behaviour. At the same time they must increase the advantages and decrease or even eliminate de disadvantages that the Internet has on their businesses.

We have to acknowledge that this marketing research is just a transversal one, developed on a small sample that can't be extrapolated to the general population of the Romanian internet users. Further research is needed in order to understand the clear nuances of the online consumer behaviour and the profile of the consumer that makes acquisition from online sources as well as the profile of the companies that are active in the online environment from Romania

6. References

- Brassington F, Pettitt S., (2000), *Principles of marketing*, Edinburgh Gate, Pearson education Ltd.
- Cătoiu I., Teodorescu N., (2004), *Comportamentul consumatorului*, 2nd Edition, Uranus Publishing House, Bucharest;
- Cătoiu, I., coord., (2009), *Cercetări de marketing tratat*, Uranus Publishing House, Bucharest, pp. 494 495.
- Close A., (2012) Online Consumer Behaviour: theory and research in social media, advertising and e-tail, Routledge, Taylor and Francis Group, New York
- Constantiniades E., (2004) *Influencing the online consumer's behaviour*, Internet Research journal, vol. 14, issiue 2, pp. 111-126;
- Cummins S., Peltier J., Schibrowsky J., Nill Al, (2014) *Consumer behaviour in the online context*, Journal of Research in Interactive Marketing, Vol. 8 No. 3, 2014, pp. 168 202;
- Darley, W.K., Blankson, C., Luethge, D. (2010), "Toward an integrated framework for online consumer behavior and decision making process: a review", Psychology and Marketing, Vol. 27 No. 2, pp. 94-116.

- Florescu, C. Mâlcomete, P., Pop, N.Al., coord., (2003), *Marketing dicționar explicativ*, Economica Publishing House, Bucharest;
- Fuciu M., Dumitrescu L., (2014), *Using online social networking sites* for doing business a marketing research, Annales Universitatis Apulensis Series Oeconomica, 16(2), pp. 159 170. Available at http://www.oeconomica.uab.ro/index.php?p=papers&l=ro&volumul= 1620142:
- Fuciu, M., Gorski, H., Dumitrescu, L., (2014) *Qualitative marketing research on the influences of online social networks on consumer*, Revista Economica, vol. 66 (1), pp. 117 135;
- Fuciu, M., Gorski, H., (2012), Online social networks a comparative analysis for the marketing world, *Proceedings of the 19th International Economic Conference "The persistence of the global economic crisis: causes, implications and solutions*", Lucian Blaga University of Sibiu, June 15, pp. 270 279.
- Fuciu, M., Dumitrescu, L., Luncean L., (2012) Study on the usage of online social networks by university students from Sibiu County and its impact on organizations, 5th *International Conference on Marketing Marketing from Information to decision*, Babes-Boliay University of Cluj Napoca, October 25 26, pp. 121 135.
- Gray, R., Charlesworth, A., Esen, R., (2009), *Marketing online o abordare orientată spre client*,. All Publishing House Bucharest.
- Hawkins, D. (2007), Consumer Behavior: Building Marketing Strategy 10th edition. McGraw-Hill;
- Hess T., Lang K.R., Xu S.X., (2011) Social embeddedness and online consumer behavior, Electron Markets, Springer, vol. 21, pp. 157–159;
- Kotler, P., Armstrong, G., Saunders, J., Wong, V., (1998), *Principille marketingului*, Teora Publishing House, Bucharest;
- Kotler, P., Armstrong, G., (2008) *Principiile marketingului*, Teora Publishing House, Bucharest;
- Pomirleanu, N., Schibrowsky, J.A., Peltier, J., Nill, A. (2013), "Consumer behavior theory in Internet marketing research: a 20 year review", Journal of Research in Interactive Marketing Forthcoming, Vol. 7 No. 3, pp. 166-181.

- Palla D., (2012) Five advantages of using the internet for your business. Available at http://www.domainsflow.com/five-advantages-of-using-the-internet-for-your-business/
- Purcărea, T., Rațiu, M., (2007), *Comportamentul consumatorului, o abordare de marketing*, "Carol Davila" University Publishing House, Bucharest;
- Solomon, M., Bomossy G., Askegaard, S., Hogg, M.K. (2010), *Consumer Behaviour a european perspective*, 4th. Edition, Prentice Hall Europe, England, Essex;
- Yadin, D., (2002), The International Dictionary of Marketing: Over 100 professional Terms and Techniques,
- *** www.marketingpower.com accessed and retrieved at 9 march 2015;
- *** Tech devices in 2015: emerging markets dominate growth, increasing by 10 billion USD. Available at http://www.gfk.com/newsand-events/press-room/press-releases/pages/tech-devices-in-2015sales-forecast.aspx