

INTERNET CUSTOMER BEHAVIOUR IN SELECTED EUROPEAN UNION COUNTRIES

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Abstract: *Globalization in EU Schengen area, new technologies, Internet – all the aspects that have prompted the emergence and the development of areas not yet discovered in the sphere of lifestyle and in the business as well. Consumers are becoming more and more demanding; the information asymmetry has gone smoothly into the informational repletion. Nowadays, mainly due to Internet, we have come across the concept of digitization that is going to change not only the business sector in a significant way. The Visegrad Group (V4) represents an informal grouping of 4 central European countries – SR, CR, HU, PL. It is a lively and informal regional structure of four EU states that claim the same values, have a common history, culture, and geography. The aim of the paper is to provide a comprehensive view at the consumer behaviour and the differences in online customer behaviour attributes in V4 grouping.*

Keywords: Customer behaviour, V4 countries, EU, online marketing

1 INTRODUCTION

The last 20 years have been impacted by the rapid spread of Internet and smartphone bringing the innovative technologies closer to the consumers. These changes have influenced the social and life conditions. Among the main trends in the society nowadays is the aging of the population which implies the fact that the future consumers will be older and yet with high digital literacy. There is a possibility of important differences between young and older people and between people living in the country side and the cities in the future. (Stratégie, 2015). The Visegrad Group (also known as the "Visegrad Four" or simply "V4") reflects the efforts of the countries of the central European region to work together in several fields of common interest within the all-European integration. Czechia, Hungary, Poland and Slovakia have always been part of a single civilization sharing cultural and intellectual values and common roots in diverse religious traditions, which they wish to preserve and further strengthen. All the V4 countries aspired to become members of the European Union, perceiving their integration in the EU as another step forward in the process of overcoming artificial dividing lines in Europe through mutual support. They reached this aim in 2004 (1st May) when they all became members of the EU. *"In recent years, the brand V4 is increasingly visible not only within the EU, but also externally. The reason is due to the location of V4 countries as well as imbalance between economic and politic integration of the EU in changed international relations. In the history of EU was economic integration always a mean for political integration."* (Gubová, 2016)

"In the year 2016, the Visegrad Group celebrated the 25th anniversary of its foundation.

The V4 countries share the same geographic location, common history and also some development problems. A support of cohesion and competitiveness of the V4 countries has become an important goal of the EU and Visegrad governments in the preparing of countries for the accession to the EU." (Minarčíková, 2016)

The following paper is aimed at the new phenomena: the market digitalization and online customer behaviour in V4 countries.

According to Kelemen (Kelemen, 2007) digitization is an indisputable fact at present and the contemporary society has been given the name knowledge society characterized by "mass availability and use of knowledge and knowledge stored and processed by information technology as required by users". Lipovska adds (Lipovska, et. al., 2014) that a knowledge-based economy is oriented towards products and services containing processed knowledge ("intelligence"), and prefers the development of the professions that deal with them.

2 INTERNET USERS AND DIGITAL MARKETING

We can talk about digital marketing since the late 90s in the last century. Online advertising first occurred around year 1994. The potential of digital marketing was from the very beginning considered to be huge. (Janouch, 2010)

There are many definitions of digital marketing. The one by Investopedia is: DM is the use of the internet, mobile devices, social media, search engines, display advertising and other channels to reach consumers. As a subset of traditional marketing, digital marketing goes beyond the internet to include Short Message

Service (SMS), Simple Notification Service (SNS), search engine optimization (SEO), electronic or interactive billboards and other online ads to promote products and services. Some marketing experts consider digital marketing to be an entirely new endeavor that requires a new way of approaching customers and new ways of understanding how customers behave compared to traditional marketing. (Investopedia)

Kannan and Kopalle aimed their work at the new trends in pricing of selling good on the Internet. They stress that online space give the sellers the opportunity to adjust the prices daily or even hourly based on the supply or demand or the competitors prices of the same or similar products. (Kannan, Kopalle, 2001)

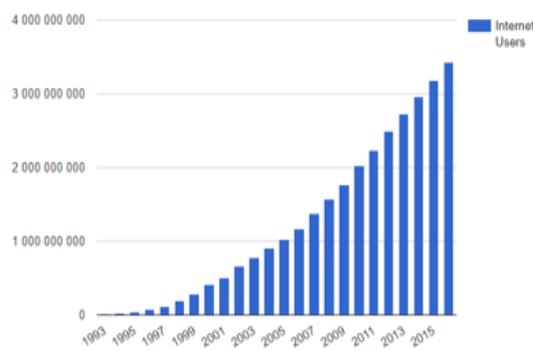


Fig. 1 Internet users over the years 1993 – 2017[5]

Around 40% of the world population has an internet connection today (view all on a page). In 1995, it was less than 1%. The number of internet users has increased tenfold from 1999 to 2013. The first billion was reached in 2005. The second billion in 2010. The third billion in 2014. The chart and table below show the number of global internet users per year since 1993. (Internet Live Stats)

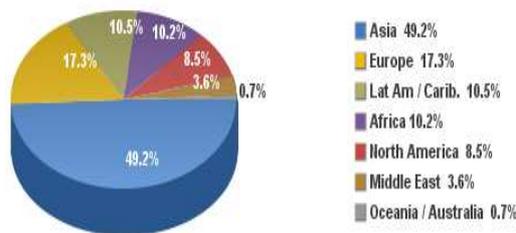


Fig. 2 Internet Users in the World [6]

The number of internet users in the world regions in the second half of the year 2017 according to internetworldstats.com is presented in the Figure 2. The number of internet users in 2017 was 4,156,932,140 (IWS).

Table 1 Europe and Internet World [7]

Europe	Population (2017 Est.)	Population of World (%)	Internet Users (30 June 2017)	Internet World (%)
Europe	822.710.362	10,9	659.634.487	17
Rest of World	6.696.318.608	89,1	3.225.933.132	83
Total World	7.519.028.970	100	3.885.567.619	100

Table 1 shows the proportion of Europe inhabitants using Internet in comparison with the rest of the world. Europeans represent 17% of world Internet users when compared to the rest of the world.

Table 2: Internet Users in V4 countries [7]

Europe	Population (2017 Est.)	Users in Europe (%)	Internet Users (30 June 2017)
Czech Republic	10.555.130	1,4	9.323.428
Hungary	9.787.905	1,2	7.874.733
Poland	38.563.573	4,3	28.267.099
Slovakia	5.432.157	0,7	4.629.641

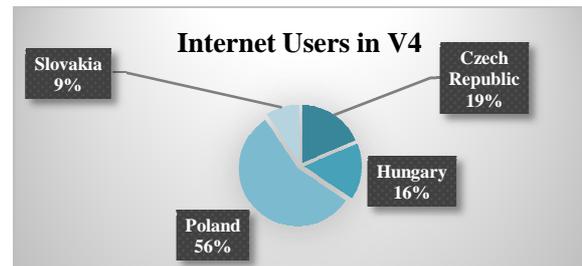


Fig. 3 Internet users in percentage in V4 countries [7]

Figure 3 reveals that most Internet users are in Poland, second place takes Czech Republic and then is Hungary and Slovakia with the less inhabitants compared to other V4 states. Slovakia's share is 9% of the Internet users in V4.

3 INTERNET BEHAVIOUR AND E-COMMERCE IN THE V4 COUNTRIES

Xiang, Magnini and Fesenmaier imply that it is crucial to identify such technologies for the company that would match with the potential to serve their long-term strategic purposes. (Xiang, Magnini, Feswenmaier, 2014)

Bhatnagar, Misra and Rao in their book explain that the past century experienced a proliferation of retail formats in the marketplace and as a new century began, those retail formats were threatened by the emergence of a new kind of

store, the online or Internet store. They explain that in increasingly time constrained world, Internet stores allow consumers to shop from the convenience of remote locations. Yet most of these Internet stores are losing money. The explanation they imply may lie in the risks associated with Internet shopping. These risks may arise because consumers are concerned about the security of transmitting credit card information over the Internet. Consumers may also be apprehensive about buying something without touching or feeling it and being unable to return it if it fails to meet their approval. (Bhatagar, Misra, Rao, 2000)

Table 3 presents the proportion of women and men aged 16 – 74 who ordered clothes and sport equipment through the Internet in the last year in relation to all the women and man in the same age that used the Internet for the purchase.

Table 3 The clothes purchase by women and men in V4 countries [3]

Country	Women in age 16-74 (%)	Men in age 16-74 (%)
Czech Republic	78	53
Hungary	52	44
Poland	70	55
Slovakia	73	64

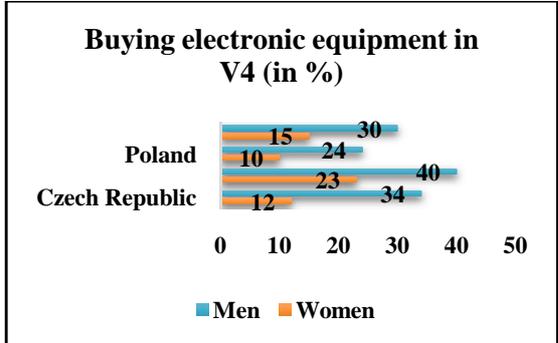


Fig. 4 Buying clothes and an electronic equipment



[3]

Fig.54 Buying clothes and an electronic equipment

[3]

According to the table, women in Czech Republic use the Internet for buying clothes the most, then comes Slovak republic and Poland. The difference between Czech Republic and Hungary is 26% in the Internet purchase of the clothes by women. When it comes to men, the first place belongs to Slovakia followed by Poland, Czech Republic and Hungary.

Figure 5 shows the electronic equipment purchases in V4. Men in Hungary are the most active when it comes to the use of the Internet for buying electronics.

2.1 E-commerce in V4 countries

The next chapter is aimed at the comparison of the consumer behaviour in Europe and V4 countries. The used data comes from www.statista.com.

Czech Republic

- Revenue in the "eCommerce" market amounts to US\$2,490m in 2018.
- Revenue is expected to show an annual growth rate (2018-2022) of 6.1 % resulting in a market volume of US\$3,158m in 2022.
- The market's largest segment is the segment "Electronics & Media" with a market volume of US\$830m in 2018.
- User penetration is at 47.9 % in 2018 and is expected to hit 51.8 % in 2022.
- The average revenue per user currently amounts to US\$493.07.

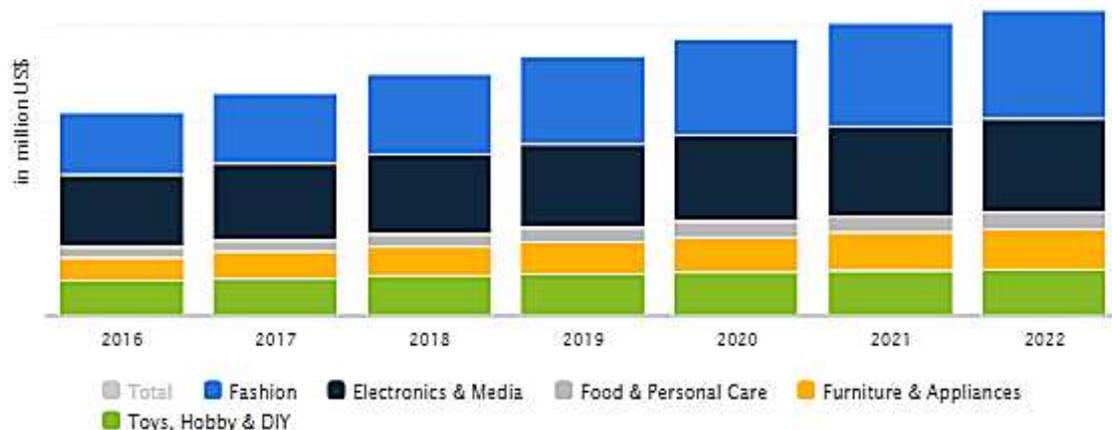


Fig. 6 Czech Republic – Reality and Predictions in the field of E-commerce [15]

Hungary

- Revenue in the "eCommerce" market amounts to US\$1,862m in 2018.
- Revenue is expected to show an annual growth rate (2018-2022) of 8.6 % resulting in a market volume of US\$2,588m in 2022.

- The market's largest segment is the segment "Fashion" with a market volume of US\$495m in 2018.
- User penetration is at 60.0 % in 2018 and is expected to hit 72.1 % in 2022.
- The average revenue per user currently amounts to US\$318.34.

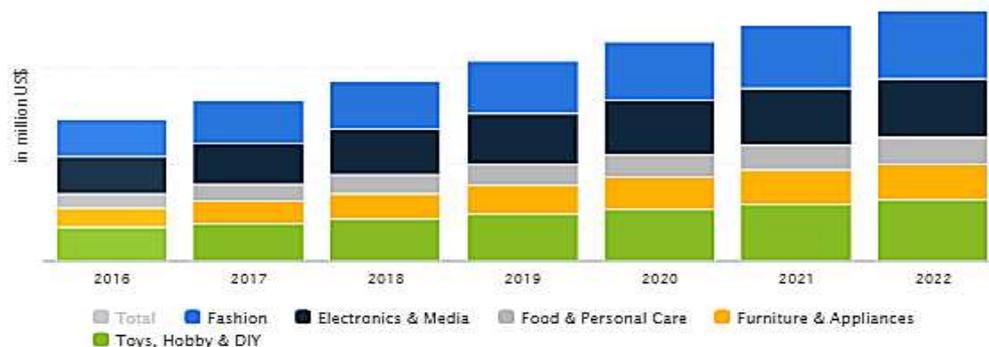


Fig. 7 Hungary – Reality and Predictions in the field of E-commerce [16]

Poland

- Revenue in the "eCommerce" market amounts to US\$8,345m in 2018.
- Revenue is expected to show an annual growth rate (CAGR 2018-2022) of 8.8 % resulting in a market volume of US\$11,709m in 2022.

- The market's largest segment is the segment "Fashion" with a market volume of US\$2,983m in 2018.
- User penetration is at 51.8 % in 2018 and is expected to hit 56.1 % in 2022.
- The average revenue per user (ARPU) currently amounts to US\$426.01.

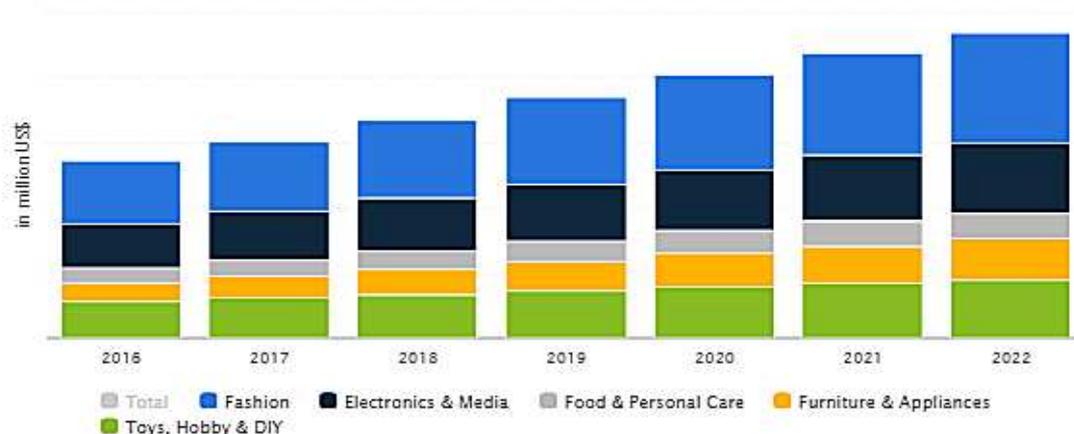


Fig. 8 Poland – Reality and Predictions in the field of E-commerce [17]

Slovakia

- Revenue in the "eCommerce" market amounts to US\$822m in 2018.
- Revenue is expected to show an annual growth rate 2018-2022) of 8.9 % resulting in a market volume of US\$1,155m in 2022.
- The market's largest segment is the segment "Electronics & Media" with a market volume of US\$324m in 2018.
- User penetration is at 60.1 % in 2018 and is expected to hit 68.2 % in 2022.
- The average revenue per user currently amounts to US\$251.89.

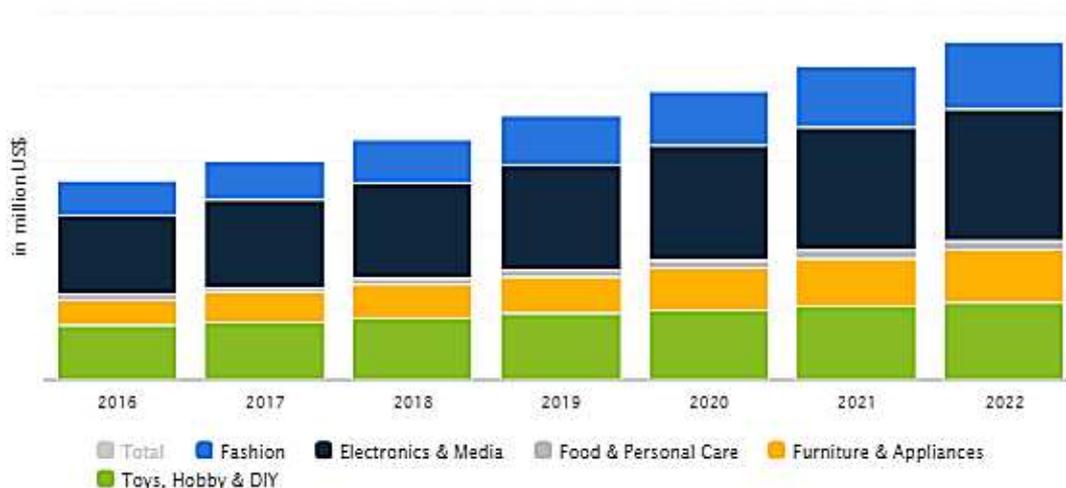


Fig. 9 Slovakia – Reality and Predictions in the field of E-commerce [18]

4 CONCLUSION

“Some experts advocate the idea of creating a common digital market first by States, which have necessary tools (e.g. The Scandinavian countries) and then will be existing model later joined by other EU Member States. It is also necessary to ensure the free flow of data and do not enclose the DSM only in the European region but open it for trade with other actors such as USA.” (Kollár, 2016)

The paper provides the general overview of the Internet usage in V4 countries. Generally, we

can say that there are no surprising differences between V4 countries and the rest of the EU countries when it comes to the description of the consumer behaviour.

The differences in online purchase of different commodities can be seen on the example of the online purchases of clothes and electronics. The further research might be provided in the future to identify whether specific reasons influence those differences and if there is a significant feature that differentiates V4 consumers from the rest of EU consumers.

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