THE ROMANIAN CONSUMER AND ONLINE MARKETING – AN EXPLORATORY RESEARCH APPROACH

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In recent decades, online marketing has been quickly overtaking the traditional means of marketing due to several reasons, such as: low costs, the growing number of internet users and the long lasting relationship developed with them, the effortless usage of the web and of the online marketing tools. Online marketing is done by those individuals or organizations which exchange ideas and offers by using computers, online networks and interactive media, in order to reach their marketing objectives.

The results of an exploratory research in terms of the consumers' exposure, their behavior in relationship with the specific campaigns oriented toward them and the future of the online and offline direct communication at the level of the pre-defined target segments are presented in a comparative manner: online versus offline direct communication tools.

Keywords: consumer behavior, direct communication, online marketing

Introduction

In recent decades, online marketing has been quickly overtaking the traditional means of marketing due to several reasons, such as: low costs, the growing number of internet users and the long lasting relationship developed with them, the effortless usage of the web and of the online marketing tools. ***Online marketing*** is done by those individuals or organizations which exchange ideas and offers by using computers, online networks and interactive media, in order to reach their marketing objectives.

According to eMarketer Inc., in China, 9 out of 10 youngsters are using the internet and the total number of internet users (any person who uses the internet from any location at least once per month) has reached 210 million people in 2007, being estimated that by 2012 it will reach 238.4 million persons. In the United States of America, using the internet has become a daily habit and the figures make it obvious: in 2007 there were 188.1 million internet users (accounting for 21% of the internet users worldwide) and in 2008, two-thirds of the population is projected to use the internet, getting to 71% of the American population by 2012 (216.9 million people). On the third position is Japan, with a total number of internet users of 89.1 million people in 2007 being estimated that by 2011 it will reach 95.4 million persons. The total number of internet users reached almost 53.24 million people, meaning 64.6% of Germany's population in 2007 and it is estimated to reach 73.2% of all Germany residents by 2012.

While in the United States and other developed countries, the internet audience is slowly increasing, there are regions of the world where the use of the internet is accelerated. Asia-Pacific region has reached 309 million users in January 2008, a growth of 14% as compared to 2007. As far as Europe's internet users are concerned, it increased by 6.8% from 2007 amounting 233 million users in January 2008. Even though the online population of Africa and Middle East reached only 40 million users, and 59 million in the Latin America region, the raise was substantial, 20% and respectively 16.6% in January 2008, as compared to 2007. The worldwide online population has reached 824 million users in January 2008, according to comScore Inc.

Even thought at the beginning of the year 2007, Romania was placed last, as compared to the other countries of the European Union, from the point of view of internet's penetration rate, at the end of 2007, it gained ground over Poland and Bulgaria, which reached 29.6% and 30% internet penetration rate. In November 2007, Internet World Stats estimated Romania's population at 22.27 million people and out of this population, 7 million were internet users (31.4% of the inhabitants). At the level of the European Union, there were 273.23 million internet users, almost 56%, out of 490.43 million Europeans.

It is important to know that in Romania, the net revenues from online marketing campaigns amounted 23 million dollars at the beginning of 2008, an increase of 66% as compared to last year. Even though the increase was of approximately 15.20 million dollars, the revenues from online are only 2.2% of the total media revenues. The highest share is taken by the TV (69.6%), followed by radio (9.6%), newspapers (8.2%), magazines (6.2%) and outdoor (4.2%).

In Hungary, the net revenues from online marketing campaigns reached 83 million dollars at the beginning of 2008, in Poland 170 million dollars, whereas in the United Kingdom it increased with 30.8% from December 2007, reaching 3400 million dollars, achieving 25% of all media revenues.

In order to design online marketing campaigns, individuals and organizations have a wide range of online marketing tools that they can choose from, but the most frequently employed are: online advertising, email marketing, e-commerce, search engine marketing, affiliate marketing, social networks and blog marketing, followed by viral marketing and web analytics.

In Romania, last year, only 58% of the companies had access to the internet, and only 24% of them owned a website. Taking into consideration the increasing number of internet users and customers, the low number of fraud cases, only 1.1% as compared to 3.4% in other countries, the Romanian ecommerce market is estimated to double.

Even though marketers have started questioning the efficiency of their online ads, the revenues from interactive advertising are projected to increase with 30.6%, from 45 billion dollars in 2007 to 147 billion dollars globally in 2012, estimates The Kelsey Group.

Research Methodology

There has been conducted an exploratory research project intended to achieve, as ***major objectives***, full of meaningful information regarding consumers' exposure to the online and offline direct communication, their behavior in relation to the online and offline direct communication campaigns oriented towards them and the future of these campaigns at the level of pre-defined target segments.

A data collection instrument, which includes 23 questions, has been applied at the level of an investigated population consisting of undergraduates (seniors) and graduates (students enrolled in the Master Programs) of the Marketing Faculty from the Academy of Economic Studies, Bucharest. The investigated population has been defined by taking into consideration the following aspects:

- most significant characteristics of the open-to-online communication consumers are related to their education and income (specific assumptions: the higher their level of education and income, the higher their openness to online communication);
- three major segments of interest – from the perspective of direct communication – could have been defined: ***"yellow"*** consumers (undergraduate and not employed students), ***"orange"*** consumers (undergraduate but employed students) and ***"green"*** consumers (graduate and employed students). This research is intended to identify how "yellow" consumers become "green" consumers (by improving their education and financial status) having as a reference the transitional "orange" category.

After the data collection and questionnaires validation, a number of 75 respondents have been included in the research sample out of which: 20 were "green", 18 "orange" and 37 "yellow" consumers.

Exposure to the online and offline direct communication tools

The first objective of the research has been approached by taking into consideration the respondents' exposure to a set of selected online and offline direct communication tools, frequently used in the market – mail deliveries, mail order catalogues, outbound phone calls, mobile messages, emails received and press direct response advertisements.

Mail deliveries represented the major direct communication tool used at the level of the sample, as 88 % of the respondents have received something by mail: from flyers and brochures to commercial letters or catalogues. This preeminent position is explained mostly by the significant increase of the printed promotional materials delivered to consumers mainly by the major retailers and wholesalers present on the market.

4. Online / offline direct communication tools	5. Frequency	6. Percent
7. - mail deliveries	8. 66	9. 88.0
10. - mail order catalogues	11. 33	12. 44.0
13. - phone calls	14. 20	15. 26.7
16. - mobile messages	17. 49	18. 65.3
19. - emails	20. 60	21. 80.0
22. - press direct response ads	23. 64	24. 85.3

Table 1. Exposure to direct communication tools

Press direct response advertisements hold the second position due mainly to the sales promotion campaigns conducted (especially the contests asking participants to fill-in and send a reply device) while ***emails*** hold a significant position, as campaigns using online tools have increased both in frequency and budgets (a similar trend being lately noticeable for ***mobile marketing***). The relatively reasonable costs may represent another support of the email and mobile marketing campaigns' growth. Mail order and telemarketing appeared less important in terms of respondents' exposure to their instruments – ***catalogues*** and ***outbound telephone calls*** – due mainly to the increased costs of the mail order and outbound telemarketing campaigns (both in terms of creation and delivery) and less significant return on investment in comparison with that of letterbox mailing and mobile marketing operations.

The analysis of the respondents' exposure to the different direct communication tools, in terms of the main market segments, has revealed that ***"green" consumers*** have been approached mostly by mail deliveries and emails, ***"orange"*** and ***"yellow" consumers*** by direct response advertisements and mail deliveries. The transition from the "yellow" to the "green" categories is illustrated by the specific results for the mail deliveries, outbound phone calls, mobile messages and emails registered for the "orange" consumers.

Those direct communication campaigns, to which the respondents have been exposed to, can be characterized, based on these results, as poorly targeted. The increased exposures to phone calls and emails of the "green" respondents and, respectively, to mobile messages of the "yellow" ones as well as the weights held by mail deliveries at the level of all three segments, suggest not more than a small-scale usage of empirical targeting procedures although the differences between these segments would have demanded a different approach.

1. Online / offline direct communication tools	2. Sample	3. Yellow	4. Orange	5. Green
6. - mail deliveries	7. 88.0	8. 81.1	9. 88.9	10. 100.0
11. - mail order catalogues	12. 44.0	13. 35.1	14. 61.1	15. 45.0
16. - phone calls	17. 26.7	18. 18.9	19. 27.8	20. 40.0
21. - mobile messages	22. 65.3	23. 70.3	24. 66.7	25. 55.0
26. - emails	27. 80.0	28. 75.7	29. 77.8	30. 90.0
31. - press direct response ads	32. 85.	33. 89.	34. 94.	35. 70.

	3	2	4	0

Table 2. Exposure to direct communication tools in terms of the main market segment (%)

Behavior determined by the online and offline direct communication tools

To a certain extent, the respondents' behavior after the campaigns they have been exposed to is surprising – having as yardstick the average performances of the direct communication campaigns. Still, some of these (see Table 3) are to be explained by the nature of the sample, close enough to the description of the primary target of direct communication operations.

1. Type of reactions	2. Frequency	3. Percent
4. - mail order buying	5. 15	6. 20.0
7. - phone calls made	8. 26	9. 34.7
10. - websites visited	11. 31	12. 41.3
13. - e-commerce buying	14. 9	15. 12.0
16. - sending a coupon	17. 21	18. 28.0

Table 3. Reactions made using different communication tools

Generally, respondents have had a relatively reserved behavior specific for an attitude aiming to diminish the related risks to be encountered. ***Visits*** made ***to*** the local and foreign ***websites*** and the ***phone calls made*** may express their desire to get more information about the products and/or services promoted and to postpone the buying decision. ***Coupons*** sent may express the same intention to be well-informed but, in the same time, a wish for participating to promotional contests organized by different companies (mainly the FMCG). Relatively impressive weights are related to the ***acquisitions*** made by respondents through ***mail*** and ***online***.

1. Type of reactions	2. Sample	3. Yellow	4. Orange	5. Green
6. - mail order buying	7. 20.0	8. 24.3	9. 11.1	10. 20.0
11. - phone calls made	12. 34.7	13. 32.4	14. 44.4	15. 30.0
16. - websites visited	17. 41.3	18. 29.7	19. 27.8	20. 75.0
21. - e-commerce buying	22. 12.0	23. 5.4	24. 0.00	25. 35.0
26. - sending a coupon	27. 28.0	28. 24.3	29. 16.7	30. 45.0

Table 4. Reactions made using different direct communication tools in terms of the market segment status (%)

From the perspective of the main market segments, the main conclusion states that ***visits*** made to the ***local*** and/or ***foreign websites*** is the common – if not the most important – reaction of all segments: ***"green" consumers*** visit websites and send coupons while ***"orange"*** and ***"yellow" consumers*** make phone calls and visit websites. Online buying is more frequently done by the "green" consumers while mail order buying appears to be done more by the "yellow" and "green" consumers and less by the "orange" ones.

Future expectations

Direct online and offline communication campaigns oriented toward these target segments will have to be planned , as the results of the survey suggest (obviously in the limits imposed by the exploratory research approach), considering the set of preferred sources and channels of information as well as the specific tools agreed by the consumers. In terms of the sources of information, respondents have mentioned as “preferred” sources the internet (specified by 65.3 % of the respondents), email (58.7 %), mail (52.0 %) and television (50.7 %) while daily (33.3 %) and periodical (30.7 %) press, mobile phone (26.7 %), outdoor advertising (25.3 %), radio (17.3 %) and telephone (9.3 %) hold more or less peripheral positions. These percentages support once more the ideas that, generally, consumers more open-to-direct online and offline communication are less interested in using television as an essential source of information and, respectively, level of education and incomes are among the variables to be considered in defining potential open-to-direct communications customers and targets of the specific campaigns.

If the respondents’ preferences indicate the internet, email, mail and television as appropriate communication media to be employed in developing direct communication campaigns, their attitudes toward the major specific tools suggest a potential interesting future for the mobile marketing campaigns and mail order operations:

- 69.3 % of the respondents are willing to receive ***commercial SMS*** and/or ***MMS*** on their mobile phones (out of which 42.3 % only SMS and 57.7 % both SMS and MMS); “yellow” consumers (75.7 %) and “green” consumers (65.0 %) are the most interested in receiving them;
- 49.3 % of the respondents are willing to receive ***mail order catalogues***, “yellow” (56.8 %) and “orange” (55.5 %) consumers being more interested by comparison to the “green” consumers (only 30.0 %);
- ***direct mail*** (38.7 %) and ***email*** (36.0 %) hold less important positions in terms of the degree of interest, decreasing both from “yellow” to “green” consumers;
- ***phone calls*** are placed in a relatively peripheral position as less than one-third of the respondents are interested to receive more commercial calls;
- ***online buying*** seems to be more appealing for “green” consumers while ***mail order buying*** appears to be more attractive for “yellow” consumers, these two segments representing the major targets for the mail order and/or e-commerce campaigns;

1. Direct communication tools	2. Sample	3. Yellow	4. Orange	5. Green
6. - direct mail	7. 38.7	8. 45.9	9. 44.4	10. 20.0
11. - mail order catalogues	12. 49.3	13. 56.8	14. 55.5	15. 30.0
16. - mail order buying	17. 28.0	18. 35.1	19. 16.7	20. 25.0
21. - phone calls	22. 29.3	23. 32.4	24. 22.2	25. 30.0
26. - mobile messages	27. 69.3	28. 75.7	29. 61.1	30. 65.0
31. - emails	32. 36.0	33. 45.9	34. 27.8	35. 25.0
36. - online buying	37. 45.3	38. 48.7	39. 16.7	40. 65.0

Table 5. Expectations of respondents regarding the direct marketing tools to be used at the level of the sample in terms of the market segment status (expressed in percentages)

"Green" consumers should be approached through campaigns aiming to generate sales and to motivate them to buy – online or by mail – different products and/or services. Mobile marketing must be integrated among the direct and traditional marketing tools employed by the companies. "Yellow consumers" should be approached not only to persuade them to buy (both online and by mail) but also to provide the information to support their decision-making process. Mobile marketing instruments, mail order catalogues, direct mail and email marketing represent a package diverse enough to communicate effectively and sell to them. Finally, "orange" consumers express, based on the figures referring to the attitude towards the direct marketing tools, the transition from the "yellow" to "green" categories. More close to the yellow area (more students than graduates and having lower incomes), "orange" consumers are relatively open to get information, but less interested to buy.

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