

# Credibility of internet purchases from a consumer perspective

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**Abstract:** In the current strongly saturated market, it is also necessary to constantly develop innovative changes and create new markets that encourage consumers to purchase behaviour. Internet and Internet marketing influence the thinking and feelings of consumers in some extent and thus motivate them to purchase. The present paper reports a theoretical summary focusing on internet marketing and the results of research on the use of Internet marketing in terms of selected Slovak consumers. The end of the article refers to knowledge that the Internet and Internet marketing greatly influence purchasing decisions and purchasing behaviour of selected Slovak consumers in any area and that is the reason why they are more and more used.

**Keywords:** internet purchasing; credibility on internet purchase; consumer

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## Introduction

Clearly one of the primary benefits of Internet marketing is the ability to gain information about individual buying habits and product preferences. These data are, of course, collected as part of the consumer transaction process. However, one of the emerging advantages of Internet technology is the ability to collect market research quickly and inexpensively from a larger respondent base than might be possible with conventional research methodology (Lane, King, Russell 2008). Marketers use various types of data to segment their target markets and to study their target segments in depth. Demographic data are necessary but not sufficient. Behavioural data are key to understanding the Internet consumer, from information search all the way through to purchase (Roberts, Zahay 2013).

Social media websites come in a wide variety of 'flavours', which are all broadly based around the premise of personal interaction; creating, exchanging and sharing content; rating it and discussing its relative merits as a community. The content can be links to other websites, news article or blog posts, photographs, audio, video, questions posed by other users...anything, in fact, that can be distributed in digital form. Most social media websites don't sit neatly into a single category; they tend to mix a range of social components that transcend the discrete boundaries people try to define for them. Still, given our human propensity for filing things into nice, neat boxes, there are several generally accepted groupings into which most social media sites sit with relative comfort, based on their primary function. The following list is a taster, and is far from exhaustive. Start looking, and you will find plenty of social media sites/components out there that don't fall neatly into any of the categories we outline below, some that span multiple categories and others that defy categorization altogether. All of which demonstrates the dynamic, constantly evolving nature of the space. As the saying goes... we live in interesting times (Ryan 2014).

## 1. Literature review

The Internet, the Web and associated technologies have led to the introduction of many new words and terms which were hitherto unknown to us. The newness and variation in the use of these technologies have also meant that many of these new names can have multiple definitions. Digital marketing, for example, has been defined as: the application of digital technologies that form channels to market and to achieve corporate goals through meeting and exceeding customer needs better than the competition. Internet marketing is another term originally used to refer to the achievement of corporate goals through meeting and exceeding customer needs better than the competition through the utilization of Internet technologies (Joober, Chadwick 2013).

To develop a sound digital strategy today involves understanding a more complex, more competitive buying environment than ever before, with customer journeys involving many different forms of online presence. To help develop a strategy to reach and influence potential customers online it is commonplace to refer to three main types of media channels marketers need to consider today (Chaffey, Chadwick 2012):

- Paid media. These are bought media where there is investment to pay for visitors, reach or conversions through search, display ad networks or affiliate marketing. Offline, traditional media like print and TV advertising and direct mail remains important, accounting for the majority of paid media spend.
- Owned media. This is media owned by the brand. Online this includes a company's own websites, blogs, e-mail list, mobile apps or their social presence on Facebook, LinkedIn or Twitter.
- Earned media. Traditionally, earned media has been the name given to publicity generated through PR invested in targeting influencers to increase awareness about a brand. Now earned media also includes word-of-mouth that can be stimulated through viral and social media marketing, and conversation in social networks, blogs and other communities.

Social media is the umbrella term for web-based software and services that allow users to come together online and exchange, discuss, communicate and participate in any form of social interaction. That interaction can encompass text, audio, image, video and other media, individually or in any combination. It can involve the generation of new content; the recommendation of and sharing of existing content; reviewing and rating products, services and brands; discussing the hot topics of the day; pursuing hobbies, interests and passions; sharing experience and expertise... in fact, almost anything that can be distributed and shared through digital channels is fair game (Ryan 2014).

The basis of popular Facebook social network is its brand profile that helps the brand, respectively the company to connect with its supporters and promote their loyalty. This profile is a sort of brand impersonation through which the fans can be in immediate contact (Krems, Pardel 2011).

Through this interaction, companies can build better and stronger relationships with their customers. The customers can provide valuable feedback to the companies thanks to it. Even though their reactions and responses positive or negative, they are always beneficial to the knowledge, their products, respectively brands perceived (Janouch 2010).

One undeniable fact is that the presence of any company on Facebook does not only significantly simplifies communication with customers, but at the same time it can effectively present products and find out much better and faster what the customers like or do not like. The most important fact is that all above mentioned is at a much lower cost comparing to other media, says the above-mentioned pair of authors. Its strongest aspect from the marketing point of view is a large coverage and personalization of individual users. Enormous advantage is also the addressing of the global market, of course in case if the profile is also in a foreign language (Drimal 2011).

The marketing tool that marketers can use on Facebook is three ways tool how to get the information and thoughts about the network to the people just interested in these products and services of the organization. It is the communication among the friends, among the groups and, last but not least, among the applications (Scott 2010).

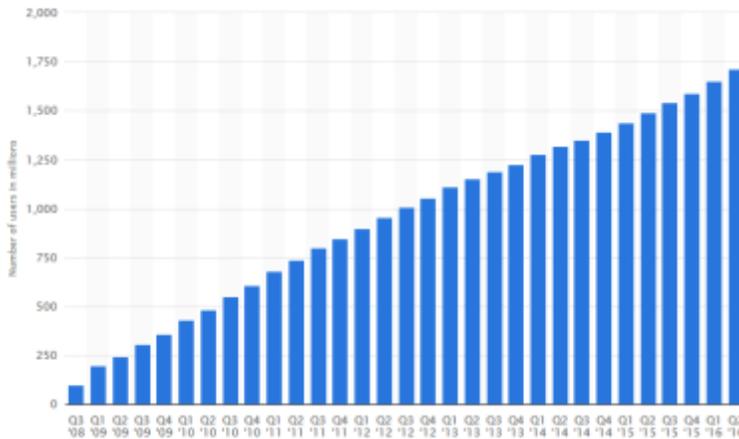


Figure 1. Number of Facebook monthly active subscribers

Source: [www.statista.com](http://www.statista.com)

The graph highlights the worldwide number of monthly active Facebook subscribers in the period from 2008 to 2016. In the third quarter of 2012, the number of active Facebook users exceeded 1 billion. In the second quarter of 2016, Facebook had 1.71 billion of monthly active users. Active users are considered as users that are logged in to Facebook services in the last 30 days.

## 2. Data and Methodology

The goal of the research was to identify the internet and internet marketing as most dominant factor of marketing communication, which influences consumer-buying decision. The sample was obtained at the choice of easy accessibility. To achieve the objective of the research we set out the following hypotheses:

H1: We assume the existence of a linear relationship between gender of respondents and regarding the Web page without targeted intent to buy something.

H2: We assume the existence of a linear relationship between the credibility of the website and its presentation on Facebook.

Respondents (consumers) answered to closed question. Primary data obtained were later processed in a statistical program Statistica.

### 3. Results and discussion

This research cannot be done on a pure random sample of the entire population of the Slovak Republic. For this reason, we have decided to focus on more closely defined group who are active Internet users of Prešov region. Respondents were not randomly selected. They were addressed using social networking sites and email. In the first part of the questionnaire, we focused on the basic demographic data of respondents as gender, age, education and social inclusion. The first variable of our research focused on the distribution of respondents by gender. 81 women and 72 men of the total 153 respondents participated in the research.

In the next variable, we have tried to classify respondents in different age categories. Based on the results, the strongest representation of respondents aged from 19 to 29 years (N = 123, 80.39%). Questionnaire was completed by 15 respondents aged 30-39 years, which represents approximately 9.80% of the total. Slightly fewer consumers in the age group 40-49 years were reached on Internet, where answered about 10 people, which is 6.54% of respondents. The lowest representation can be observed in the age group of 18 years, where answered only one respondent in the age of 17 years, who represented 0.65%. Respondents older than 50 years were in total 4, so it was about 2.62% of the total number of respondents.

Through the first question in the questionnaire, we tried to classify our respondents, depending on how often they shop online. The largest proportion of respondents was 71 respondents shopping on the Internet about once a month; it is about 46.41% of the research sample. On the contrary, the smallest number of respondents shops online several times a week; it is only a 4 consumers, representing 2.61%. Equal representation observed in people who shop on the Internet several times a month, which is 39 and in percentage 25.49%. The same number of respondents shop on Internet only very rarely or almost never.

Respondents receive information about purchased products most often through ratings and reviews of other users on the Internet, when that option checked 98 of the respondents, representing 21.44% of the responses. Given that at this point it is possible to select more than one answer, we recorded 90 responses are under the option of trader's website. As for the manufacturer Web site, it was a total of 35 responses. As an essential source for obtaining information on purchases can be considered well-known recommendations or reviews that have reached the 79 responses, representing 17.29% of the total. Having in mind respondents' comments that Internet purchasing is quite popular, the main aim was to assess whether the respondents perceive the websites of individual companies as reliable. Confidence in the sites and their content, validity and reliability is a basic prerequisite for the subsequent purchase of goods or services. For the purposes of this survey, it was ascertained whether consumers treat the websites reliable and whether they treat the presentation of the companies on Facebook pages as reliable.

First hypothesis was verified by Pearson correlation, which is a measure of linearity between those variables. The correlation coefficient can take values in the interval  $<1, 1>$  as follows:

- 1: variables are indirectly dependent decrease in one variable causes an increase in the other variables;
- 1 - variables are directly dependent increase in one leads to an increase in the other;
- 0 - analysed variables are independent.

**Table 1. Credibility of the website and its presentation on Facebook**

	Credibility	Page on Facebook
Credibility	1	,594
Page on Facebook	,594	1

Source: own processing

Looking at these statistics, the results indicate that there is a linear relationship between those variables. We confirm the hypothesis because the correlations are positive values and move at a specified interval.

Analysis showed a significant relationship between the variables at a significance level of  $\alpha < 0.01$ . The significance was calculated at  $p = 0.000$ . The correlation coefficient reaches the level  $r = 0.594$ , which can be interpreted as moderate to strong association between the monitored variables.

Within the second hypothesis, we observed the existence of a linear relationship between gender of respondents and thus a web page viewing without targeted intent to buy something. Results are included in Table 2.

**Table 2. Interest in the website in terms of respondents' gender**

Men average (N = 72)	Women average (N = 81)	t-test	Significance
3,5972	3,8889	-1,545	,124

Source: own processing

We set the level of statistical significance, to  $\alpha = 0.05$ . P value of the test of statistical significance reached 0,124. This hypothesis is therefore rejected; there is no relationship between the variables. The research results further indicate that there is no statistical significance between the genders and measure the impact of advertising.

#### 4. Conclusions

The Internet has also become a key communication platform. Today, virtually every company and organization has a presence in the online space. The Internet can be used as an advertising channel, as a public relations tool, as a mean for running a contest or sales promotion, and as support for the personal selling effort. Finally, there is price. Comparison-shopping Web sites make it easy to check and compare prices for products and services (Keegan, Green 2015).

Social networking on the internet will undoubtedly further enhance its growing popularity. As growing and creating new social networks, new advertising opportunities in this environment also grow. The company's presentation on the Internet is also possible without the existence of a web page, where can Facebook page fully replace it. In case of online internet shop or stores functioning only exclusively on Facebook might be difficult. The Facebook page should always contain updated information about the company and its products and services. In this environment, it is necessary to remember that the important aspect of the success of the page is also number of fans. If consumers are satisfied with a given brand, they become a fan of a site and are willing to watch the activities of the brand on social networks and recommend the brand to other users. It is therefore important to share any information, photos or video file in a smart and not distracting way.

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