

ONLINE USAGE BY YOUNG INDIVIDUALS AND YOUNG ADULTS – A CASE STUDY OF ROMANIAN INTERNET USAGE

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Abstract: *The development of information and communication technologies is changing the world we live in, by transforming the manner in which we communicate, interact with one another, and buy products and services. This paper aims to outline the profile of young people (up to 25 years old) and young adults (25 to 34 years old) as Internet users, in terms of frequency, device used, and aspects related to online consumer behaviour. The first section of the paper outlines the literature review, regarding how information usage and communication technology have evolved in society from the end of World War II (the baby boomers) to the present (Millennials and the Net Generation). The second part of the paper presents the results of a secondary data analysis of online usage and consumer behaviour of Romanian individuals up to the age of 34 years old. We outlined aspects related to pre-purchase online behaviour, post-purchase online behaviour, search information behaviour, and device use in an online environment. All this was carried out within the limits of the results obtained through the consumerbarometer.com online analysis platform.*

Keywords: consumers, Internet, marketing, communication, purchase

JEL classification codes: M30, M31

Introduction

The surge in the use of the Internet over the last two decades has changed the way individuals relate to one another, to companies, and to friends or family. At the same time, these changes that have taken place at an individual level have also occurred in the business environment. It is clear that we have become a digital society, where we interact more online than we do in person. The dialogue between companies and their clients, which once took place face to face, has moved to the online environment. At the same time, this change towards online communication has led to a shift from mass communication strategies to more targeted two-way communication between the company and the individual (Kotler and Keller, 2016, p. 637).

We are today witnessing changes in the way companies approach their consumers, due to the increasing, and sometimes even the exclusive, use of digital technology, and at the same time we need to be aware of the radical changes brought by this move to the online environment. In their now-famous book, 'Marketing 4.0', Kotler et al. (2017), state that the changes occurring in our society, and in the way we do business, relate to shifts from: (1) an exclusive to inclusive environment; (2) a vertical to a horizontal way of doing business; (3) an individual to a social approach to consumers (pp.7-15).

None of these changes is more present than in the way young people (teenagers and young adults) relate to the Internet, its usage, and its influence on their buying behaviour and much more. These changes have led to the birth of a new type of consumer, described as 'the one that will be the majority in the near future, [...] – young, urban, middle class with strong mobility and connectivity' (Kotler et al., 2017, p. 19). The current paper relates to how young individuals, aged up to 35 years old from Romania, use the internet, what they search, and how they behave online. By outlining and presenting these interesting secondary data research statistics we hope that we can offer the business environment the tools to reach and target their consumers better and faster.

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Born and raised in a digital world – some aspects related to the evolution of society in the context of technology

Profiling young Internet users and consumers has never been easier. It has become increasingly simple to target young consumers and to tailor a marketing communication strategy to them and their needs. But who is this generation of young Internet consumers? How can they be described or profiled? The answer lies within the evolution of the society in the last five to six decades. There is a great discrepancy between the formation of society in the Western, more developed, countries and that in the former communist countries of Central and Eastern Europe. This study will concentrate primarily on the evolution of society in the US, which has been thoroughly investigated from demographic and economic perspectives.

The evolution of information and communication technologies in the last century, especially after the end of World War II, has led to the development of different stages in the evolution of society in the US. These main stages of development are defined by Trapscott (2011) as:

a) Baby boomers – individuals born between 1946 and 1964, who had a significant influence on demographic change in the US, Canada and Australia. The well-developed and strong post-war economy offered the opportunity and confidence to start families and have children. According to Frost (1996, in Trapscott, 2011), in 1957 the average US family had 3.7 children. This segment is defined by Kotler and Keller (2016) as ‘college-educated, upper-middle-class, and home-owning. Like many of their peers who married late, these boomers are still raising children in comfortable suburban subdivisions and pursuing kid-centred lifestyles’ (p.270 & p.276).

Demographically, and from a consumer point of view, Kotler continues his analysis, stating that although ‘they represent 76 million U.S. consumers, possessing \$1.2 trillion in annual spending power and controlling three quarters of the country’s wealth, marketers often overlook them. In network television circles, because advertisers are primarily interested in 18 to 49-year-olds, viewers over 50 are referred to as “undesirables,” though ironically the average age of the prime-time TV viewer is 51.’

From a communication and information point of view, as seen above, this generation was the television generation. While only 20% of US households had a TV at the beginning of the 1950s, eight years later the percentage had jumped to 83% (Trapscott, 2011). This evolution of television as a means of communication led to a change in the way marketing operated, and launched the development of television advertisements.

b) Generation X or the baby burst generation includes those born between 1965 and 1976. According to the US Census Bureau report of 2010 (Howden and Meyer, 2011), Generation X includes more than 80 million of the current US population, and represents the first generation to use the computer in a manner that is similar to the way we do today. Regarding their use of the Internet as a means of communication and connectivity, according to Social4Retail.com and eMarketer.com, in 2012, when Generation X individuals were between 36 and 47 years old, in the US they were ‘highly connected on the go, with nearly 95% using mobile phones, and 60.3% of that group using smartphones. In 2012, 38.4 million Gen Xers, or 62.2% of Gen X mobile users, used the mobile internet at least monthly. That accounts for three in ten mobile internet users in the US.’ (Social4Retail.com, accessed in 2018).

c) Generation Y or Millennials are defined in this study as those born between 1977 and 1999/2000). The exact years defining millennials differ according to source: the US Census Bureau defines them as individuals born between 1982 and 2000 (census.gov, accessed in 2018), while other research entities vary, using dates from the late 1970s to mid-1990s. According to the Statistics Portal, the millennials are avid users of the Internet, which they access via smartphones, tablets, PC or laptops. Statista.com (accessed in 2018) states that ‘millennials use social networks to create, share and exchange information with each other. The most popular social networking site amongst all Millennial age groups is Facebook. In 2016, about 50 percent of Americans aged 30 to 34 years old stated using Facebook the most; this share stood at 41 percent for the 25 to 29 years age group, and 36 percent for Millennials aged between 18 and 24’.

d) **Generation Z** or the **Net Gen** are individuals born after the year 2000, and are also known as Gen Tech, iGeneration, Gen Wii, Digital Natives, Post-Millennials etc. The consumers from the Millennials and the Net Gen are similar in their technology and internet usage but those born later have a distinctive advantage, with the Internet a part of their lives from an early age. The main characteristics of the previous two generations are mobility and connectivity. Kotler states, regarding their online consumer behaviour, 'when they are interested in things they see on television, they search for them on their mobile devices. When they are deciding whether to buy something in-store, they research price and quality online. Being digital natives, they can make purchase decisions anywhere and anytime, involving a wide range of devices', (Kotler et al. 2017, p.19).

At the same time, the evolution of ICT has made the young people of Net Gen adopt digital technology as fast as baby boomers embraced television in the 1950s and 1960s. They have been born with technology, while those older have had to become accustomed to it, and to learn how to use online tools and computers. The Net Gen youth use television less frequently than older generations, especially those borne in the 1950s and 1960s, and would rather use a computer, a tablet or a smartphone to stay in touch with what happens in their community or around the world (Trapscott, 2011, pp. 52–53).

The interconnectivity of the age we live in has changed the way we connect, target and communicate with consumers. Due to the fast-paced rhythm of contemporary life, consumers have less and less time to analyse the products or services that satisfy their needs. This accelerated pace leads individuals, especially young people who are targeted by ever more communication stimuli, to have a shorter attention span regarding the products or services which interest them.

The shifts brought by ICT and the digital economy, have slightly changed the manner in which companies should approach the 4 P's. Kotler et al. (2017) suggest that the 4 P's have evolved to adjust for the consumer participation into the 4 C's – the connected marketing mix (pp. 50–51):

- (a) *co-creation*, relates to the product and underlines the involvement of the consumer in the personalisation and customisation of the products or services that they want or need;
- (b) *currency* or dynamic pricing points to the fact that prices are similar to the currency and fluctuate based on market demand. Dynamic pricing is based on the practice of big data analysis and setting a price connected to the consumer's buying history, distance to the store, frequency of purchase etc.;
- (c) *communal activation* is in essence the distribution process but seen from a peer-to peer point of view. The shift to digital resulted in the development of products and services generated by intermediaries rather than producers. Such examples can be seen in the hospitality industry with Airbnb, or in the taxi industry with Uber or BlaBlaCar. Instant access to certain products or services is another aspect that has been made possible by the digital world. A good example is the case of the Microsoft Corp., which up until several years ago would deliver their software physically on CDs, DVDs etc., but now requires customers simply to log in online, pay the product fee and download and install the software they need;
- (d) *conversation* relates to the evolution of the concept of promotion. The changes in usage of the online environment, and especially of social media, have generated changes in the way consumers interact with messages sent by companies. Social media platforms, blogs and forums allow the consumer to interact with other consumers, and to exchange positive and negative experiences about the acquisition and consumption of their products or services.

All the changes in society mentioned above, brought about by advances in the usage and implementation of information and communication technologies, the Internet and social media, represent a shift from a service delivered to a consumer to an approach focused on consumer-care, from treating consumers simply as clients to seeing them as equal partners, and this has been the result of integrating traditional and digital marketing concepts and approaches. The interchanging roles of digital marketing vary from a traditional approach (focused on Enjoyment, Experience and Engagement) to a connected marketing approach (emphasising Awareness, Appeal, Asking / researching, the Act and Advocacy) and show a much more complex approach to the consumer /

individual and the way they use ICT to communicate (Kotler et al., 2017, pp. 52–64).

Starting from these perspectives, although society and technology usage have not evolved in exactly the same way in Romania, we consider that the US experience is a good benchmark by which to understand and profile the young people and their online behaviour in our country. At the same time, the evolution and the online behaviours presented in the case of Millennials and the NetGen can clearly be seen in our society and in our youth, most notably in Internet and social media usage. According to facebrands.ro there are more than 9.6 million Facebook users in Romania, which represents approximately 49% of the population, with 57.54% of users between the ages of 13 and 34 years old, and with an even distribution of males and females (Facebrands.ro accessed in October 2018).

Statistical data on Internet usage of young people and adults in Romania

The United Nations ‘for statistical purposes, defines “youth”, as those persons between the ages of 15 and 24 years, without prejudice to other definitions by Member States’ (un.org, definition of youth, accessed on October 2018).

The current paper aims to identify the profile of Internet users in Romania aged up to 35 years old, i.e. who fall within the Millennial and the NetGen age limits. The current study is a secondary data analysis, based on the Internet usage provided by the search engine Google, through its Consumer Barometer platform.

We consider that identifying the profile of the users identified above will underline the importance of a large segment of the population which uses the Internet in daily activities and business-related activity and that therefore it will become increasingly important to better target and communicate with current and future consumers.

The secondary data analysis was observed by the authors between 1 and 15 October 2018 and aimed to identify the following aspects related to the target group and their Internet usage: frequency of Internet use; Internet user segmentation; type of devices used; smartphone and computer online usage; aspects related to online research behaviour; and online purchase behaviour, taking into account age and gender distribution in all the above. According to the consumerbarometer.com platform, used for this secondary data research, 222 respondents participated in this survey in 2017 as presented in the Connected Consumer Survey 2017 (thinkwithgoogle.com, October 2018) as well as the Consumer Barometer Survey 2014/2015 that was generated with responses from 2832 individuals.



Figure 1. Daily usage of Internet for users under 35 years old
(www.consumerbarometer.com)

As we can see from Figure 1, irrespective of the age group, more than 90% of both males and females use the Internet on a daily basis. For those under 25 years old, we can also see that 100% of males use this communication tool. Additional information shows that 7% of the males between 25 and 34 years old use the Internet on a weekly basis, and 3% of them use it on a monthly basis. Of the females aged under 25.5% use the Internet several times per month.

I often post content online

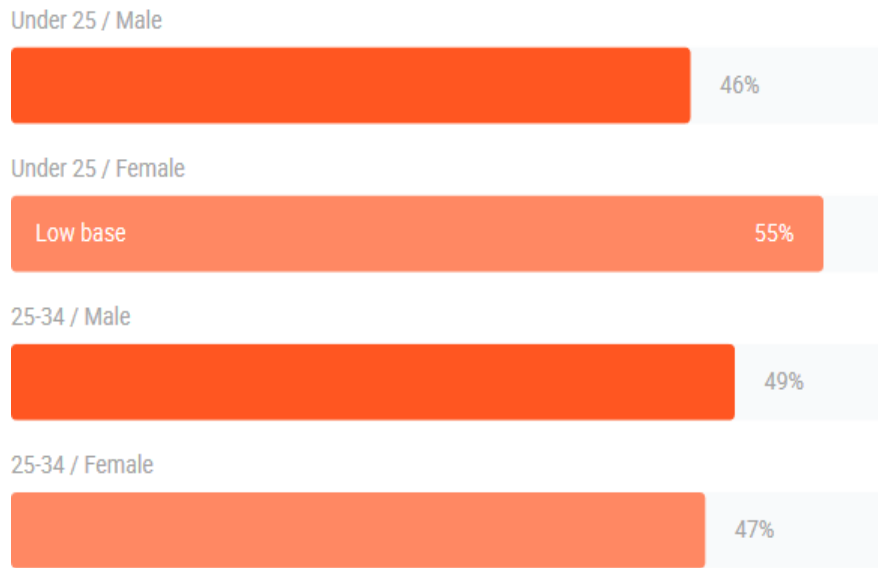


Figure 2. User technology savviness - posting
(www.consumerbarometer.com)

Figures 2 and 3 show what the Internet users are doing online. On average, between 46% and 49% of participants post online, with only the females under 25 years old surpassing the 50% mark. Secondly, users are helping others use the Internet, as seen in Figure 3, where the under-25 males are those primarily helping (78%) with 68% of females in the same age group also helping.

I often show other people how to do things online

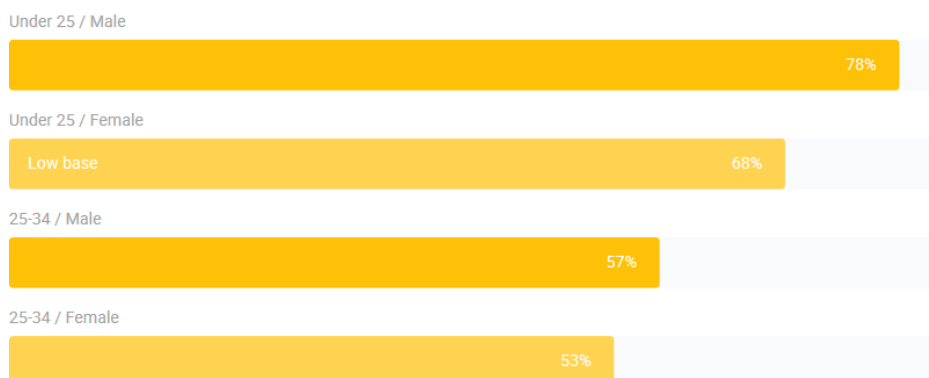


Figure 3. User technology savviness – helping / demonstrating usage
(www.consumerbarometer.com)

Other activities users carry out online are: looking up information on the Internet first (over 88% of all age groups and genders); and using the Internet for fun (75% of males from both age groups, 70% of females under 25, and 67% of females between 25 and 35 years old).

An important aspect for research is the primary device used for accessing and using the Internet. According to consumerbarometer.com (October 2018), the smartphone is used by 100% of individuals in both age groups; the computer (desktop PC, laptop or netbook) by between 67% (females between 25 and 34 years) and 90% (males under 25 years). Barely 50% of females under 25 years old use the tablet, although between 27% and 44% of other groups do so. Other connected devices used are the television, MP3 player, eReader, digital devices to save or record television programmes, and digital devices connecting television and Internet in order to stream etc.

The second major aspect of our secondary data research relates to the online shopper and consumer behaviour. According to the Consumer Barometer Survey 2014/15, in which over 2,800 individuals participated (consumerbarometer.com, October 2018), users usually spend several hours researching the product before making a purchase online (32% of males under 25 years old and 24% of females of the same age; 26% of males aged between 25 and 35 and 22% of the females). The highest percentage (26%) for Internet users who spend time online before a purchase is for the males under 25 years old, who in the days before a purchase spend time online for product/service research. The lowest percentage (11%) is registered by the 25–34-year-old males who spend time researching just moments before the acquisition. There are also some Internet users who do not search for information online before making a purchase, and those who search for information for months before acquiring a certain product or service, but these individuals represent less than 10% of the whole sample.

In order to understand the online consumer behaviour of the young individuals and adults, we must look at the buying behaviour. For this, the Consumer Barometer Survey 2014/15 (consumerbarometer.com, October 2018) shows that around 50% of Internet users buy products or services from a physical store (store, office, kiosk, restaurant, agency); less than 10% of all age groups and genders buy over the phone; less than 5% of users buy via direct mail and an average of 33% of all Internet users buy from online stores.

Regarding the main device used to make the purchase, out of 1105 respondents (consumerbarometer.com, October 2018), 9.5% of males and females under 25 years old use a smartphone for buying, compared with 6% of males and females between 25 and 34 years old. Computers (laptop, PC or netbook) are used by an average of 83% users up to 35 years old (from 79% of females under 25 years to 84% of males between 25 and 34 years). Tablets and other online enabled devices are used by under 7% of respondents. Regarding the delivery of items purchased online, an average of just over 50% of the responses expressed a preference to collect from the store, and around 30% of the purchases were delivered to the user's home.

We looked also at post-purchase activity. The 2832 respondents of the Consumer Barometer Survey 2014/2015 (consumerbarometer.com, October 2018) show that an average of 15% of Internet users post about their buying experiences on social networks (ranging from 11% of 25 to 34 year old females to 19% of males under 25 years old). 17% of the males in both age groups post reviews or ratings about the acquisition, compared to 9% of the under 25 year old females and 6% of the females aged between 25 and 34 years. Around 12% of Internet users look for help in using or installing the product.

Conclusions

We live in an increasingly digital and connected world, where almost everything we do can be observed, tracked and profiled by governments, companies and Internet-based companies. The evolution of information and communication technology has developed a need to know Internet users and online consumers better, to understand their needs and wants, and to provide the best products or services available for them. The evolution of society over the last six to seven decades has shown how consumers have used technology to improve their lives, to obtain information or to communicate between clients and companies. The largest inter-generational gap can be seen when analysing the Baby Boomer Generation on one side, and the Millennials and Net Generation on the other, and how the former transitioned from using the television as a primary source of information to using smartphones, tablets and computers to communicate via email, social media, blogs or forums.

The present paper has aimed, on one hand, to outline the evolution of society and the usage of information and communication technology from the end of World War II to the present, and on the other hand, to present statistical data, based on analysis of secondary data provided by the consumerbarometer.com platform, that show online usage of Romanian Internet users aged up to 34 years old.

From the secondary data analysis, we have observed that: (1) online usage occurs daily by all the Internet users from the target group; (2) online posts are made by approximately 50% of the young Internet users; (3) 88% of users look up information about products/services, or search for interesting

facts on the Internet before looking elsewhere; (4) the devices most commonly used for online activity are the computer and the smartphone; (5) most of the Internet users search for information online about the products or services which interest them; (6) time spent for information search varies from several hours to several days before purchase; (7) after the acquisition some Internet users post online reviews about their purchases.

The results and conclusions detailed above, along with the information provided in this paper and by consumerbarometer.com, can be used by marketers, advertising companies, marketing strategists and their managers to develop their marketing communication using the data to better target, reach and convert the audience into consumers. The digitalisation of the economy and of our daily lives, as well as the shifts taking place in our societies, must be considered when companies and organisations design their marketing and advertising strategies.

We hope that this paper is a first step in this direction for the Romanian business environment, but at the same time, we must acknowledge the limits of the secondary data research, by underlining the fact that Romanian users are not very open in sharing information about their online activity. Additionally, certain elements of a thorough online research project could not be developed because of a lack of information, especially regarding the profile of the online user in terms of income, education, location (urban or rural) etc.

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