

SLOVAK CONSUMERS FROM GENERATION Y AND THEIR SHOPPING BEHAVIOR ON DISCOUNT PORTALS

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Abstract

Shopping in the 21st century is confronted with new trends and challenges. Just like society at large, even the shopping process is subject to the effects of globalized culture and communication, technological progress, use of new information technologies, greater customer awareness and price transparency, fast development of the media, changes in consumer habits, economic development of the society, and particularly the ever-changing world around us. The main aim of this paper is to present the research findings on the Slovak consumers from Generation Y and their online shopping behavior on discount portals. We used a questionnaire as a primary data collection tool. The results show the characteristics of online shopping behavior of the Slovak consumers from Generation Y on the discount portals. They also reflect the online shopping habits of this generational segment in Slovakia and the purchasing preferences in the individual product and service categories.

Keywords: *online shopping, discount portals, product, service, generation Y*

JEL Classification: *M31, M37, M39*

1 Introduction

Success in today's highly competitive environment is determined by the vendors' ability to understand the customer and their needs and desires at the right place and time. According to Higham (2010), consumers have incredible power because their behavior has an enormous impact not only on business, but also

society. This is true both for the entertainment and food industry. It does not matter what country or segment the company is active in, the customer attitudes and behavior are of an utmost importance to it. The consumers drive consumption and purchasing behavior. They are the basis of trade as such, because if there's nobody to buy, it does not make any sense to sell.

The current changes in consumer behavior are a result of technological progress, changing society and, last but not least, market saturation with advertising. A solid understanding of consumer shopping behavior is the basis for a successful marketing strategy and correct orientation on the market. In the current consumer-oriented time is not enough to manufacture products and provide services – it is necessary to focus on the consumer. Some of the following questions are becoming ever more pressing: What is the consumer expecting? Why is he/she making the purchase? Where? When? At what price? (Kita et al., 2010). It is therefore necessary to know the consumer and learn as much as possible about their purchasing behavior.

1.1 Online purchasing behavior

The theory of shopping behavior understands the consumer as someone who identifies their needs and wishes, makes purchases and uses the product during the consumption process. It also stresses the importance of the “buyer” who merely buys the product but does not actually consume it, and the “initiator” of a purchase who provides the recommendations and effectively affects the purchasing decision (Nagyová&Tonkovičová, 2004).

Shopping behavior is a plane of human behavior, which includes reasons for the consumption of goods and use of services, and also the ways in which consumers make the purchases, including the factors that affect this process (Koudelka, 2006;Koprda 2015;Šramová, 2015). It is a process in which the individuals or groups select, purchase, use and evaluate products or services to satisfy their needs (Vysekalová, 2012;Polakevičová, 2015;Světlík, 2016), and also how they behave after the purchase (Kardes&Cronley&Clinet, 2008). Kita et al. (2010) views the shopping expressions as an integral part of consumer behavior, which may be understood in a narrower and broader sense. In the narrower sense, it constitutes the manifested and observable acts, such as the purchase and consumption, which represent important aspects of the decision-making process. In the broader sense, purchasing behavior is understood as a mental and social processes prior, during and after the actual purchase.

The Internet has significantly influenced the development in the world over the last thirty years (Nagyová et al. 2014), and is now regarded as the main communication channel – an information medium, which triggered massive changes

in the area of trade, marketing and communication. It is a huge public array of computer networks, which allows the users from all over the world to communicate and access vast repositories of information (Kotler& Burton &Deans & Brown &Amstrong, 2012). Thanks to the Internet, all companies can market their products and services to new and very distant markets (Kubicová&Kádeková, 2017). One of its key advantages is that it “can transmit all available media formats – text, images, sounds and videos, and thus draw the viewer's attention and, what is more, at a relatively low cost” (Nagyová et al. 2014, p. 256)

The Internet is the most important element in the development of the so-called new economy because the information and communication technologies are becoming key to better prosperity and competitive advantage (Henneyová, 2005, Polakevičová&Szabová&Kamenská, 2014). If the companies fully and effectively harness its opportunities and potential, they can save a lot of money and time in the marketing activities (Nováková&Tomanková, 2010; Košičiarová&Nagyová&Kádeková&Holienčinová&Rybanská, 2017). From this perspective, the Internet has not only become a strong tool for each firm operating on the online market, but it also works as an essential tool for the government institutions, interest groups and individuals.

In online shopping, the whole transaction takes place via the Internet. The customer chooses the goods on the vendor's server where the goods are subsequently bought and paid for in a way that that all three phases – selection, purchase and payment – usually take place without a direct interaction with the vendor (Stuchlík&Dvořáček, 2000). Online shopping experience has been shaping the shopping behavior of consumers in general. Leveraging other studies and resources (Jobber & Chadwick, 2012;Kotler& Burton &Deans & Brown &Amstrong, 2012), we have summarized the following most important stimuli that motivate customers to shop on-line:

- Lower prices
- Wider and better choice of goods and services in comparison with stone shops
- Information social influence
- Creation of online communities
- Comfort, convenience and privacy
- Unlimited working hours (the opening hours are not fixed and the goods are available 24/7)
- Delivery to the intended destination
- Shopping "without borders"
- Innovations in online sales thanks to group buys or daily discounts
- Use of the so-called "m-commerce"

2 Data and methodology

The aim of the present research was to identify the characteristics of online shopping behavior of Slovak consumers from Generation Y on discount portals. We mapped the online shopping habits of this generational segment in Slovakia and we focused on the purchasing preferences in the individual product and service categories.

To collect the necessary information and data, we used the exploration method and questionnaires, which is based on data collection through subjective responses of the respondents (Bačík & Fedorko & Fedorko, 2011). The questionnaire contained open-ended and multiple-choice questions. In general, its importance is in the following four areas: it provides information from the respondents, establishes the structure of the interview, sets a uniform format for recording the data and makes their processing easier (Kozel et al., 2006). The questionnaire in our research was created and/or distributed solely via the Internet.

The research implementation was preceded by the definition of the following hypotheses:

Hypothesis 1: We assume that more than half of the respondents in the Generation Y research file has had some experience with online shopping on discount portals.

This hypothesis was established on the basis of the research results presented by Media Research Slovakia (2013), which showed that a great majority of Slovak Internet users, i.e. 85% of respondents, has experience with online shopping. Other SAEC results in cooperation with Media Research Slovakia (2013) show that up to 96% of Internet users have experience with on-line shopping. This assumption can also be derived from the 28% yearly increase in turnover of the discount portals, which indicates the number of respondents who have experience with shopping on discount portals (zlavy.sme.sk, 2014) is increasing. According to the findings of the study on Generation Y shopping habits conducted by Cisco (2012), online shopping represents a modern trend for nine out of ten members of this generation, and they actively use it.

Hypothesis 2: We assume that the respondents in the research file make more purchases on the discount portals in the Travel and Eating category than in the Products category.

This claim was derived from the existing surveys (TNS, 2013; Petit Press, a.s. 2013, Bulanda&Lincényi&Kamenská, 2017), according to which customers use the discount portals more and more to make purchases of cheap stays, be it in Slovakia or abroad in European metropolitan areas. Within the Eating category, more than a thousand sushi sets, pizzas and tons of ribs (Poláš, 2014) were sold

in 2014, which can be considered one of the indicators that the discounts in the Eating category are one of the most preferred types of discounts on the discount portals.

3 Results

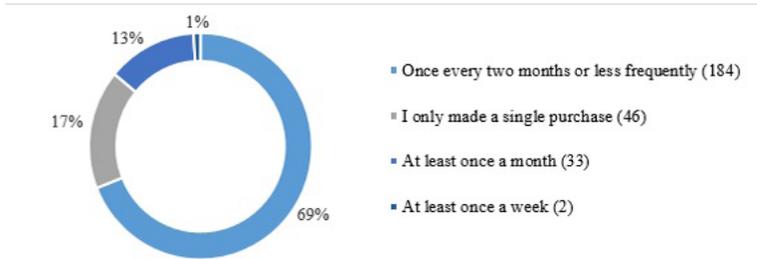
The research file consisted of 331 respondents from Generation Y. Its terms of gender distribution, the file consisted of 70% women (N=232) and 30% men (N=99).

Table 1 Respondent experience with online shopping on discount portals

Do you have experience with online shopping on discount portals?	Men	Women	Total	Count (in %)
Yes	78	187	265	80,1
No, but I'm considering such purchases	10	29	39	11,8
No, and I'm not planning such purchases in the near future	11	16	27	8,2
Total	99	232	331	100

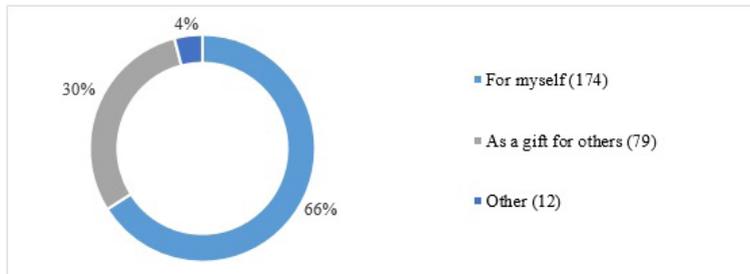
Source: Own data processed from the questionnaire.

From the total number of respondents (N=331), N=265 respondents have some experience with online shopping on discount portals (**Table 1**). This question in the questionnaire was selective in nature. The respondents who had some experience with online shopping on discount portals continued with the questionnaire but those who did not had to opt out of the second part of the questionnaire aimed at the Generation Y shopping behavior on the web portals. A total of 265 out of 331 respondents continued in the questionnaire.

Chart 1 Shopping frequency on discount portals

Source: Own data processed from the questionnaire.

The next question in the questionnaire was aimed at online purchasing behavior of the respondents (N=265) and its relation to the frequency of purchases on the discount portals (Chart 1). The most frequent use of the discount portals was once in every two months or less, as signaled by 69% (N=184) of respondents. Up to 17% (N=46) of the respondents said that they made a purchase on the discount portals only once. Another 13% (N=33) made a purchase at least once a month and only 1% (N=2) of the respondents said that used the discount portals very frequently – at least once a week.

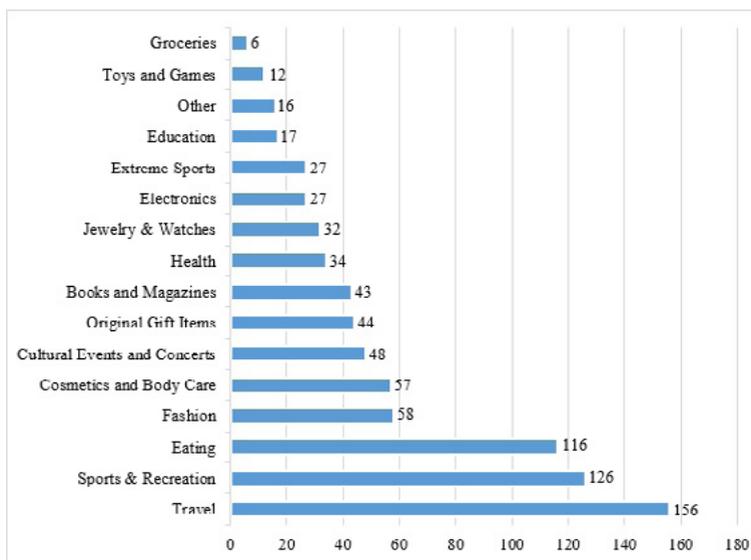
Chart 2 Shopping orientation on the discount portals from the perspective of the end user

Source: Own data processed from the questionnaire.

The next question surveyed the online purchases on the discount portals from the perspective of the recipient, i.e. the end user the purchase is made for (Chart 2). The most common option was a purchase for oneself, which was marked by 66% (N=174) of the respondents. 30% (N=79) of the respondents said that they use the discount portals to make purchases for their close persons. The remaining 4%

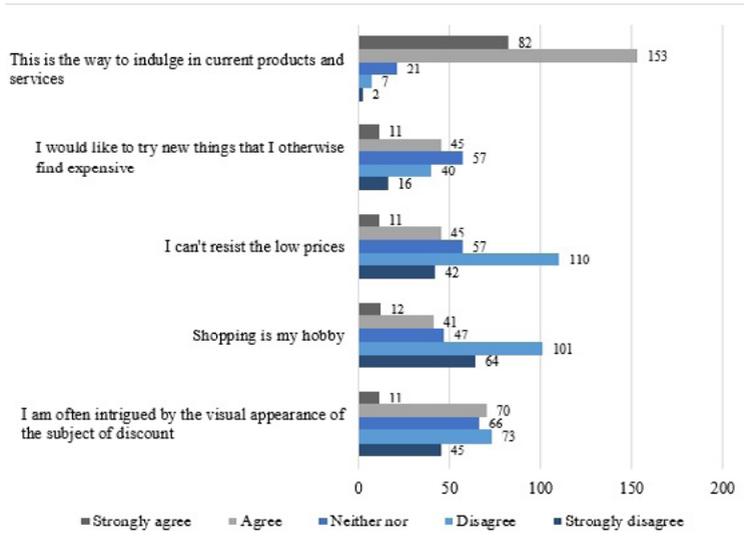
(N=12) marked “Other”, which most likely means that they mixed the purchase option for themselves and others.

Chart 3 **Shopping categories on the discount portals**



Source: Own data processed from the questionnaire.

In the next section of the questionnaire, we focused on the most frequent categories of products and services purchased on the discount portals (**Chart 3**). The three most frequent categories were products and services from the Travel category (N=156), Sports & Recreation category (N=126) and Eating category (N=116).

Chart 4 Reasons driving the purchases on discount portals

Source: Own data processed from the questionnaire.

The question concerning the reasons for online shopping on the discount portals was enriched by a scaling technique, which gives the respondents an opportunity to agree/disagree with a specific statement (**Chart 4**). The two most frequent reasons for shopping on the discount portals were the perception that the discount portals provide products and services at lower prices (N=153) and that the respondents want to try new items which are normally more expensive (N=105). The least frequent reasons for using online discount portals included the irresistibility of low prices (N=110) and shopping being a hobby (N=101).

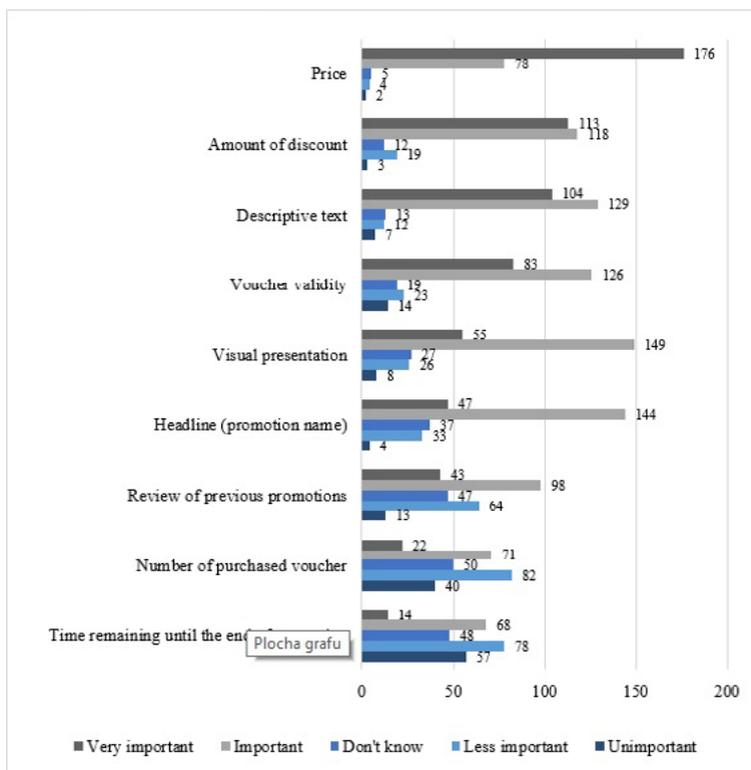
Table 2 Reasons driving the purchases on discount portals (arithmetic average)

This is the way to indulge in current products and services	4,155
I would like to try new things that I otherwise find expensive	3,479
I can't resist the low prices	2,521
Shopping is my hobby	2,381
I am often intrigued by the visual appearance of the subject of discount	2,732

Source: Own data processed from the questionnaire.

Apart from the percentage (ratio), the individual positions of the respondents were also expressed through an arithmetic average (**Table 2**). Each item has been given a score (1 – Strongly disagree, 2 – Disagree, 3 – Neither nor, 4 – Agree, 5 – Strongly agree). A value approaching 1 means the option is least representative. Conversely, a value close to 5 means the option is most representative. The most frequent answer, i.e. the discount portals are a way to buy current products and services cheaper, has also become the most representative one.

Chart 5 Criteria affecting the respondents in the selection of discount portals



Source: Own data processed from the questionnaire.

Subsequently, we had a closer look at the criteria with an impact on the respondents and their choice of discount portals (Chart 5). The three most frequent answers were the price (N=176), visual layout (N=149) and the main theme or promotion title (N=144).

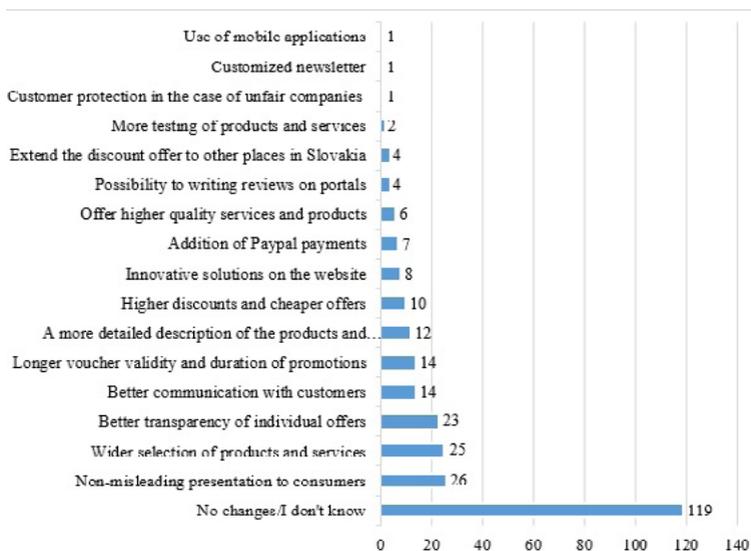
Table 3 Criteria affecting the respondents in the selection of discount portals (arithmetic average)

Price	4,592
Amount of discount	4,204
Descriptive text	4,174
Voucher validity	3,909
Visual presentation	3,819
Headline (promotion name)	3,743
Review of previous promotions	3,355
Number of purchased voucher	2,823
Time remaining until the end of promotion	2,638

Source: Own data processed from the questionnaire.

Even in this case, we complemented the results with arithmetic averaging (**Table 3**). Yet again, we assigned values (1 – Unimportant, 2 – Less important, 3 – Don't know, 4 – Important, 5 – Very important) to individual statements. The price criterion was confirmed to be the most important one.

Chart 6 Changes and improvements the consumers would make on the discount portals



Source: Own data processed from the questionnaire.

In the end of the survey, we asked the respondents an open question to present their own proposals for changes or improvements on the discount portals (**Chart 6**). Given the fact that the respondents were free to present more than one proposal, the number of responses was higher than the number of respondents. We collected 277 different improvement proposals divided into 17 categories. Due to the limited space in this partial presentation of research results we will limit ourselves only to the most frequent answers. Most respondents (N=119) indicated that they do not require any changes, or that they do not know what changes would be welcome on the discount portals. The most frequent answer (N=26) was that the discount portals should not mislead the consumers with false information, obscure labeling and misleading promotional photographs. It was followed closely by the proposal to extend the offering of the discount portals (N=25) and improve the browsability and filtering of the discount portals (N=23).

4 Discussion and conclusion

Based on the data collected, we can verify our hypotheses. Hypothesis 1 has been confirmed since more than half of the research file, i.e. 80.1%, responded that they had some experience with purchases on the discount portals.

Hypothesis 2 has been confirmed only partially because although the results indicate that the respondents prefer purchasing discounts in the Services category to Products category, the most frequently represented categories were Travel (58.87%) and Sports and Recreation (47.55%). We assumed in our hypothesis that the purchases in the Eating category would rank second, but they ended up third (43.77%).

The results from the current research could be applied in the subsequent attempts to analyze Generation Y and its online shopping habits and behavior. They can be beneficial to the marketers, i.e. creators of the campaigns or strategists who determine the ways to address and reach out to the individual customer segments through discount portals. Although the process is primarily shopping-oriented, the discount portals also promote the brands they offer at lower prices. The research findings also pointed to a number of options to increase the popularity of discount portals:

- Correct selection of products and services.
- Focus on the target groups that use online shopping.
- Publication of the offer at the right time.
- Adequate and non-misleading images and texts in the discount menus.
- Consumer satisfaction.

The present research can be extended in the future with the aim to collect more comprehensive findings on the Generation Y shopping behavior on the discount portals through the use of qualitative methods.

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