ONLINE BUYING BEHAVIOUR IN THE CZECH REPUBLIC

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Abstract

The paper deals with the Internet and its impact on online shopping behaviour of customers in the Czech Republic. A large part of Czech population has already shopped online. Customers view it as a quick and convenient shopping where they can save money. But what are the other factors that influence their shopping behaviour? This paper tries to find the answer to this question. Each customer is an individual therefore models of customer behaviour often cannot be generalized, particularly not on the Internet which offers many shopping options and procedures how to select, try and buy a given product. The online business activities of companies are still expanding. Internet marketing together with mobile marketing is gaining momentum, because the amount of customers who are online has been increasing rapidly. The number of smart mobile phone users that are still online has been growing as well.

Keywords: Internet, online buying behaviour, e-commerce, online shopping.

INTRODUCTION

Socializing, catching up on news, shopping/browsing, being entertained and being educated are typical reasons people give for going online. So, socializing through e-mail, chat rooms, blogs and social network sites is the killer application in the B2C markets. Billions of e-mails are sent every day and SMS (text) messages are catching up. Leveraging the strong desire to socialize should not be underestimated. It is one of Maslow's basic defined needs.

The second most popular activity is finding out about products, regardless of whether they are to be purchased online or offline, so we need to facilitate the process of mixed-mode buying - browsing online and buying offline.

Internet users are active, not passive; they enjoy their power and love to exercise it. Comparison shopping puts them in control. The empowered online customer has more knowledge than ever before from sharing information with others and from comparison sites or shopping bots. How well do you know the comparison sites for your products and services? Seek them out and monitor them continuously.

Surprisingly, not all online customers hate real physical shopping. They just like getting good deals and being in control. The convenience of online shopping may grow in importance as time-compressed customers realize the time-saving nature of online shopping. Time saving can satisfy several needs simultaneously as the time saved can be spent fulfilling a range of unfilled needs.

In the last decade, the growth and generalization of Internet use has made it possible to increase sales through e-commerce websites. (Iglesias-Pradas et. al, 2013)

1 E-CUSTOMERS

Understanding customers is fundamental to successful marketing. Good marketers know their target customers inside out and upside down. Understanding online customers is even more important, as the geographic and cultural spread is often much wider. Online customers also have different attitudes to both acquiring information and buying online.

Online customers are changing. Not only do they talk back, they now shout back and even bite back if brands break their promise.

Chaffey & Smith (2013) present that customers have been abused by businesses which dump sloppy service on them, again and again. Survey after survey reveals that customers have, in fact, got worse at marketing over the last ten years. And customers are angry. They are also increasingly impatient and less forgiving. They are still sitting on a customer-service time bomb.

Online customers have raised expectations. They expect higher standards in terms of service, convenience, speed of delivery, competitive prices and choice. They also want, if not expect, to be in control, secure and safe. The problem with raised expectations is that first, they are crushed more easily; and second, they can damage the brand if not fulfilled.

Online customers expect fast service and fast delivery. The Internet and everything associated with it suggests speed. If online businesses do not deliver speedily, then online customers are disappointed, annoyed, angry and sometimes vociferous. Even if delivery takes the same time as the retail store, the online customers often expect a little more (whether it is a price discount, wider choice or whatever). This is the problem with raised expectations.

Internet plays a significant role in our lives. But traditional media still have their influence. How does the Internet change our lives? We can name some interesting facts about it:

- Consumers spend 5.2 hours a day watching TV, 3 hours surfing on the Internet and 1.4 hours listening radio.
- TV influences 37.2 %, newspapers 10.6 % and Internet 5.6 % of consumers of by making purchase decision.
- 39.8 % of consumers use TV as a source to learn about products of interest (but 51 % of them was prompted by a TV ad to go online), 8.7 % use Internet and 8 % use newspapers. (Barbosa, Media Influence on Purchase Behaviour, 2012)
- People divide their online time into these main activities: social networking (22 %), searches (21 %), reading content (20 %), e-mails/communication (19 %), multi-media sites (13 %), online shopping (5 %).
- The most popular activities on the Internet are: e-mails (92 %), using search engines (92 %), health of medical info (83 %), hobbies (83 %), search for directions (82 %), check weather (81 %), info search on buying products (78 %), reading news (76 %), entertainment (72 %), buy products (71 %) etc. (Barbosa, How People Spend Their Time Online, 2012)
- Cross-channel commerce is set to grow to five times size of e-commerce by 2015.
- 31 % of customers purchase more from retailers after a positive shopping experience.
- 58 % of online retail customers prefer e-mail as support method, 22 % prefer telephone and 20 % prefer live chat.
- In the coming years growth of online sales will largely be determined by the rapid and spectacular penetration of mobile commerce.
- The number of jobs created directly and indirectly by the B2C e-commerce sector is about 2 million in Europe

1.1 Marketing Mix and Marketing Environment Changes

The marketing mix - widely referred to as the 4 Ps of Product, Price, Place and Promotion - was originally proposed by Jerome McCarthy (1960) and is still used as an essential part of formulating and implementing marketing strategy by many practitioners. The 4 Ps have since been extended to the 7 Ps, which include three further elements that better reflect service

delivery: People, Process and Physical evidence, although others argue that these are subsumed within the 4 Ps.

Digital technologies allow much greater customization of products, services and promotional messages than older marketing tools. They enable marketers to adapt the elements of the marketing mix to consumers´ needs more quickly and efficiently, and to build and maintain relationships with customers on a much greater scale.

Schiffman, Kanuk (2007) stated that online communication and emerging digital technologies introduced several dramatic changes into the business environment:

- Consumers have more power than ever before;
- Consumers have access to more information than ever before;
- Marketers can and must offer more services and products than ever before;
- The exchange between marketers and customers is increasingly interactive and instantaneous;
- Marketers can gather more information about consumers more quickly and easily;
- Impact reaches beyond the PC-based connection to the Web.

O´Connor et al. (2004) defines the changing marketplace with these characteristics:

- Customers have become more sophisticated and individually focused;
- The management of products and brands has become more complex;
- Markets have become increasingly global.

Kimmel (2010) wrote: "The actual extent of fragmentation in the contemporary marketing landscape can be illustrated with a few specific examples of new media. A logical starting point is the Internet, which has seen a phenomenal spurt of users globally since the turn of the millennium."

- **Personalization** refers to the customization of products and services through the use of the Internet.
- **Participation,** which consists of the various means by which customers can become actively involved in the brand, helping to define what it stands for, how it is promoted, and so on.
- **Peer-to-peer,** the component that acknowledges the active nature of consumers within social networks and brand communities, where market-related conversations have the capacity to lead to true engagement with products and services.
- **Predictive modelling,** which entails neural network algorithms that marketers have begun to apply to marketing-related problems. (Kimmel, 2010)

2   THE CZECHS AND THE INTERNET

In mid-2012 the Czech Statistical Office released data from the survey on the use of selected information technologies by households and individuals as part of research coordinated by EUROSTAT. Statisticians obtained data through interviews with respondents which have been taking place since 2003, whereas their international comparisons have been conducted since 2006 as well.

4749 households and 9064 individuals participated in the survey.

The results show that the number of Czech households connected to high-speed Internet has more than doubled since 2007, this indicator increased from 26% to 63%. The vast majority of households are connected to high-speed Internet and almost every household that owns a computer uses the Internet.
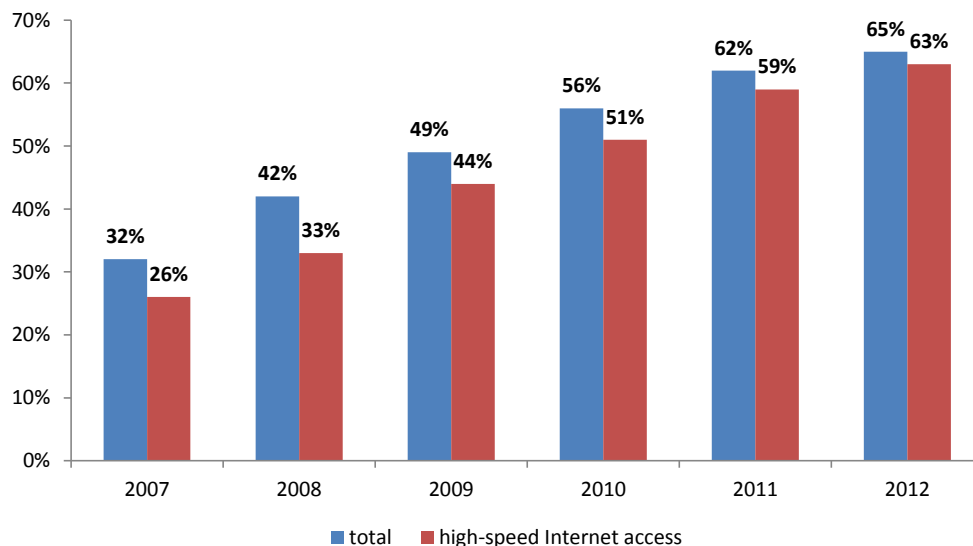

Figure 1 - Households with Internet access (% of households) (CSO, 2012)

Compared with the average of the European "twenty-seven", the Czech Republic lags behind in the number of households with a computer and Internet access. The computer is owned by 70% of Czech households and the Internet is used by 63% of households. The average for households in the European Union is 77% for computers and 67% for the Internet. In the lead are the Benelux countries and Scandinavia, exceeding 80% in both items. (Handl, 2012)

In the second quarter of 2012 there were nearly 2.8 million households in the Czech Republic (67%) equipped with a computer. Since 2007 the number of households provided with a personal computer has increased by 1.1 million, which represents a relative increase in 28 percentage points. In the nineties of the last century households furnished with a personal computer were not obvious at all and the situation started to improve with the arrival of the new millennium. In 2001 only a fifth of households possessed a personal computer.
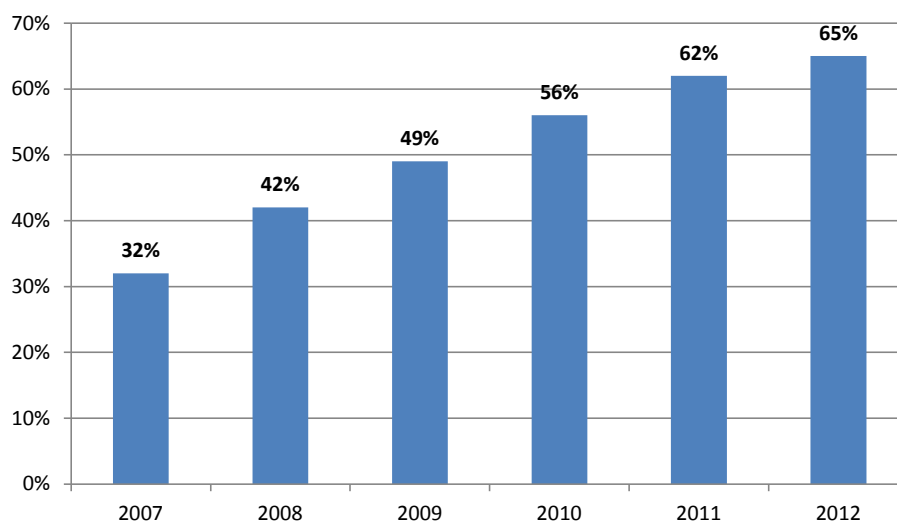
Figure 2 - Computer-owning households (% of households) (CSO, 2012)

Differences in households equipped with a computer and the Internet are to some extent also affected by locality in which the household is situated. Traditionally, households in large cities with 50 thousand or more inhabitants are better equipped with both technologies.

Drawing on an international comparison of households equipped with a computer or the Internet, the Czech Republic is still well below the EU27 average. In 2011 (more recent data for international comparisons are not available) a personal computer was owned by 70% of Czech households and 67% were connected to the Internet (the data represent only households with at least one person aged 16-74 years). In the EU27 these numbers reached an average of 77% or more precisely 73%. Therefore, Czech households equipped with a personal computer would in an imaginary list of EU countries reach the not very flattering 19th place and the 18th place in terms of Internet access. Yet since 2007 the number of households equipped with a personal computer has increased most of all EU27 countries in the Czech Republic; namely by 26 percentage points, compared with an increase in almost 13 percentage points for the EU27 average.

Most households equipped with a personal computer and the Internet are traditionally located in the Netherlands and Luxembourg, the Scandinavian countries, as well as Germany. In these countries, the proportion of households with a computer and Internet connection was above 80% in 2010.

In the Czech Republic more Internet users remain among males than females. The Internet was used by 72% of males and 66% of females in the second quarter of 2012. This difference is mainly due to older generation, when the proportion of males older than 65 years of age using the Internet is more than two times higher than the proportion of females using the Internet in this age category. Probably no one will be surprised that the Internet is still primarily the domain of young people; it is used by more than 96% of people aged 16-24 years.

Based on the numbers, we can also state that the higher the level of attained education, the greater likelihood that the individual uses the Internet. During the last year of monitoring there were 91% of Internet users among highly educated population, eight out of ten people

among individuals with secondary education (GCSE), but only 22% of individuals with completed primary education.

A specific group encompasses students whose proportion as the users of computers and the Internet is close to 100%. Another specific group consists of old age pensioners; only a fifth of them used computers and the Internet in the second quarter of 2012.

The fastest growing group of users of computers and the Internet belongs to category which used information technology least.

3 E-COMMERCE

Electronic commerce has become a large and important segment of the new digital economy over the last ten years. (Hostler et al., 2012)

The Organisation for Economic Co-operation and Development (OECD) officially recognized e-commerce as a new way of conducting business (OECD, 1999; Sung, 2006). An enormous increase in e-commerce has together with the development of information technology a profound impact on the world economy. E-commerce enables regional traders to be less local and more global and reduces trade barriers as well. (Brynjolfsson, Kahin, 2002; Sung, 2006)

There are many definitions of e-commerce. E-commerce can be defined as using the Internet to sell products and services. E-commerce encompasses both B2C and B2B activities. The broader concept of e-business includes e-commerce and various activities that create value, such as supply chain management. (Doern, Fey, 2003)

Many people can hardly imagine a life without it, a term which has been described as online oxygen or dependency on the Internet.

And even though the e-world often considers itself as something innovative and fresh, many observers start talking about an M- world (mobile). Owning a mobile phone (possibly connected to the Internet) is becoming commonplace. Simple telephoning and texting is gradually accompanied by mobile browsing, reading, banking and other activities.

When the term electronic commerce was first introduced, it was understood as simple as transactions over the Internet (U.S. Department of Commerce, 1999; Sung, 2006). Ramanathan et al. (2012) describes previous interpretation of e-commerce simply as transactions over the Internet. However, over the years, e-commerce has been interpreted to include a variety of organisational activities including selling, buying, logistics, and/or other organization-management activities via the Web or doing business over information networks. (Ramanathan et al., 2012)

E-Commerce is characterised by the following features. It is:

- Potentially virtual
- Disintermediated and less labour intensive
- Global
- Anonymous (OECD, Chetcuti, 2002)

Chaffey (2004) defines e-Commerce like all electronically mediated information exchanges between an organization and its external stakeholders. By this definition, non-financial transactions such as customer requests for further information would also be considered to be part of e-Commerce. Singh et al. defines electronic commerce as the online exchange of value, without geographical or time restrictions, between companies and their partners, employees, or customers (Singh et al., 2001).

3.1 Online shopping

Online shopping is the process where consumers purchase products or services simply by using the Internet. The act of shopping through the Internet raises questions about consumers/customer prothesis to shop online. (Tsiakis, 2012)

Online retailing became big business in late 1998, as millions of people placed orders for holiday gifts online and retailers scrambled to upgrade their distribution networks to cope with the growth (Cyberatlas.com, 1999). Companies planning for the growth of online retailing need reliable estimates of the growth of online shopping. Data about online consumer purchasing behaviour are also needed to help companies define their online retail strategies for Web site design, online advertising, market segmentation, product variety, inventory holding, and distribution. Forecasts are more likely to be reliable if they are based on the behaviour of online consumers, rather than consumers' stated intentions, or worse, the guesses offered by Web marketing "experts." (Lohse, 2000)

Online shopping or online retailing is a form of electronic commerce whereby consumers directly buy goods or services from a seller over the Internet without an intermediary service. (Tao, Li, Dingjun, 2011)

3.2 Internet buying specifics

In the classic, traditional shopping context, consumers were passive recipients of marketing information (Schrank & Dubinsky, 2004). Online marketing transactions necessitate online customer trust in order for customers to place an order online and even submit his or her financial information and other personal data in undertaking other financial transactions (Yazdanifard et al., 2011). Consumers should have an understanding of online security and privacy risks. (Tsiakis, 2012)

Security is one of the most important online shopping specifics. Security in an online retailing context, refers to consumers´ perceptions about the security both of the online transactions as well as the protection of financial information that accompany the transaction from unauthorized access and further is categorized into financial security (concern about providing financial information) and non-financial security (relating to revealing personal information) (Limbu et al., 2011). (Tsiakis, 2012) Security, which involves a complex interaction between technical, organizational and behavioural factors like cryptohraphy, digital signatures etc. that aim at protecting users from the risk of fraud, hacking or phishing, and has a positive influence on the intention to purchase online (Roca et al., 2009) (Amitava & Rahul, 2008).

Online shopping spaces are becoming increasingly attractive to consumers, offering numerous conveniences including 24/7 availability (Hofacker, 2001), time-saving benefits (Childers et al., 2001), and increased product and price research capabilities (Jefferson, 2006). The conveniences of online shopping, however, are accompanied by security threats such as identity theft and fraud (Leggatt, 2009). (Lee et al., 2012)

Customers value their privacy. Many customers resent intrusive marketing invading their private time and space. Customers want to choose when and where they receive information or ads. Having said this, customers welcome relevant help from companies which know how to genuinely save customer time or deliver them new experiences that enhance their lives or their jobs. Customers do like personal, tailored (relevant) communications, whether opt-in e-mail or personalized web sites. (Chaffey, Smith, 2013)

Internet shopping has some specifics in comparison with traditional shops. We can name and compare (- is negative and + is positive) some of them from customers´ perspective:

- Customers need some electronic devices and internet connection to buy online; (-)
- Customers can very easily buy products often with high value; (+)
- Customers save their money; (+)
- Customers can buy 24 hours a day; (+)
- Customers have to wait for delivering products; (-)
- It is very convenient for customers to use internet shops; (+)
- Customers can change the products within two weeks without any reason; (+) but on the other side they have to pay additional cost related to product change (delivery costs) (-)
- E-shops sell only "intangible" products, customers can´t touch, smell or test them; (-)
- Emphasis on security; (-)
- Trust of customers is very important; (-/+)
- It is easy to target marketing communication and address customers, customers can choose marketing communication actions; (+)
- Etc.

4 THE ONLINE BUYING IN THE CZECH REPUBLIC

In the second half of the nineties Czech e-shops gradually began to emerge, initially led by people experienced in IT who followed American trends. Later, at the turn of the millennium, by people who inclined to retail, sales and marketing and who were not satisfied with conditions in brick-and-mortar stores. The prime mover of this genre was a company "Bílé zboží" (White Goods), today's "Internet Mall". The company was founded in 2000 and was based on low cost and expertise. (Insider, 2013)

In the 2nd quarter of 2012 more than 2.6 million persons, i.e., 31% of the total population of the Czech Republic and 44% of the total number of Internet users claimed that they were shopping online in the past 12 months. Online female shoppers slightly outnumber online male shoppers (considering the proportion of Internet users). Online shopping is most frequently used by higher educated students and people aged 24-34 years. A special group consists of women on maternity leave, half of which are shopping online (60% of female Internet users).

Less than a third of those who were shopping via the Internet during the last 12 months then also stated that they used a discount portal. Buying on discount portals is strongly preferred by younger groups - most often used by persons under 45 years of age.
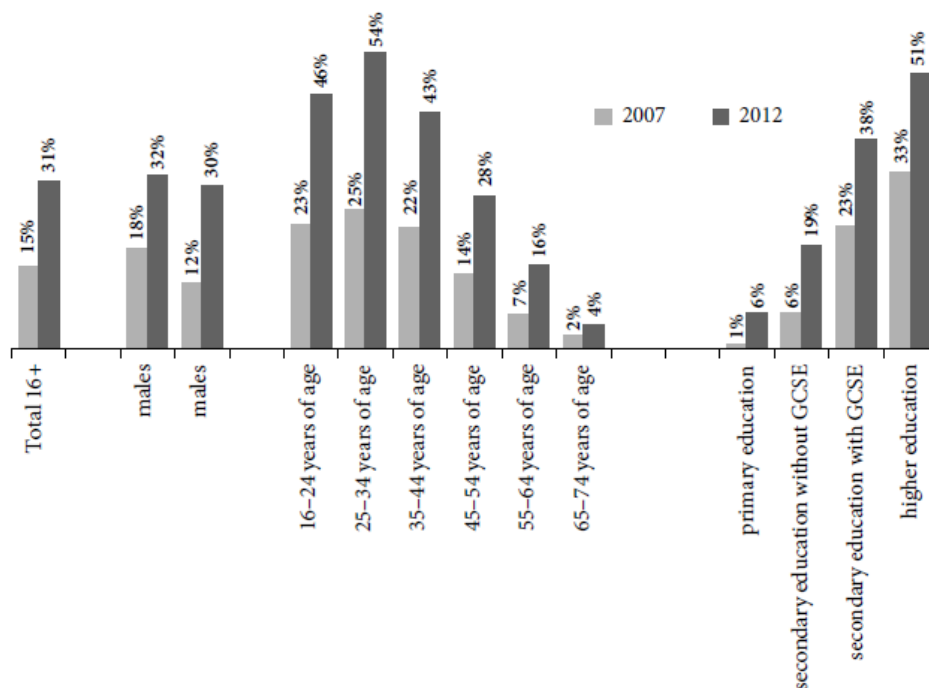
Figure 3 - Individuals shopping online (% of individuals in a given socio-demographic group) (CSO, 2012)

48% of persons paid via the Internet for goods bought online. Almost three quarters of those shopping on the Internet paid in person when collecting the goods.

Nine out of ten online buyers then pointed out that they bought goods from a supplier in the Czech Republic.

The number of online shops in the Czech Republic increased 16 percent to 37,000 over the last year, according to the data of price comparison website Heureka.cz. (ČTK, Denik.cz, 2013) Most users (almost two thirds) at first compare offers in different online shops and then choose the one that suits them best. In contrast, 18% of Czech Internet users always buy online in the same e-shop. This relatively high percentage of users indicates that if customers are satisfied with a service and their requirements are met, they keep on returning. (Mediaguru, 2013)

Every year a study on e-commerce is carried out regularly. This study is conducted in cooperation with companies such as Gemius, Centrum Holdings and Seznam.cz. The main aim of the study is to investigate the relationship of Czech Internet users to online shopping and online shops, portals offering bulk discounts, price comparison websites and QR codes.

4.1 Research goals, methodology and sample demographics

Quantitative marketing research was used for collecting primary data. An online questionnaire survey was used during the period June - September 2012. The questionnaire included 41 questions and the main goal was to get to know the current situation in the area of online buying in the Czech Republic focusing on factors influencing online buying behaviour. SPSS software was used for data evaluation.

The main goal is to present the general view of online purchasing in the Czech Republic.

Pseudo random selection of respondents was used. 1072 respondents participated in the research and 882 completed questioners were evaluated. As we can see in Table 1, the sample includes 373 men (42.3 %) and 509 women (57.7 %). Further we can see other characteristics of the respondents.

Table 1 – Sample demographics (own survey)

		N	%
Gender	Male	373	42.3
	Female	509	57.7
Age	16-24 ~~years~~	253	28.7
	25-34 ~~years~~	279	31.6
	35-44 ~~years~~	157	17.8
	45-54 ~~years~~	100	11.3
	55-64 ~~years~~	57	6.5
	65+	36	4.1
Study Level	Primary education	40	4.5
	Secondary school without graduation	79	9.0
	Secondary school with graduation	310	35.1
	University degree	453	51.4
Level of Internet ~~Control~~Literacy	Beginner	107	12.1
	Common user	552	62.6
	Advanced user	196	22.2
	Professional	27	3.1
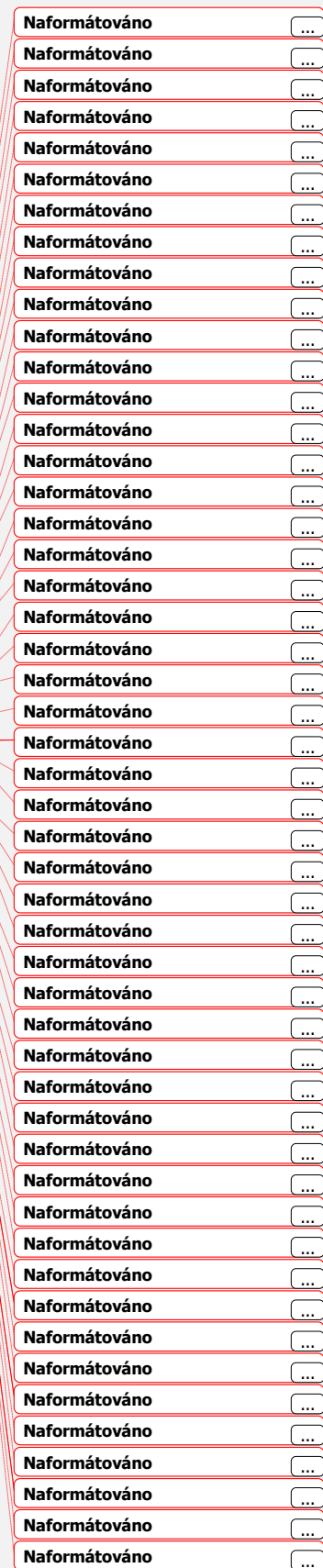
4.2 Online Shopping in the Czech Republic – research results

Figure 4 describes the current situation on the Czech online market. As we can see, 84 % of Czech Internet users use this medium for purchasing products or services. But only 32 % buy online regularly. It means that most Czech Internet users buy online but only irregularly and still prefer brick and mortar shops for majority of shopping.
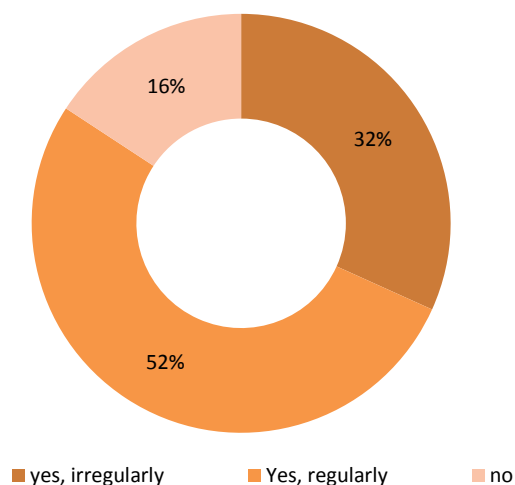
Figure 4 – Internet buying in the Czech Republic in % (own survey)

If we compare Internet penetration in the Czech Republic (70.9 %) with the European average (61.3 %), we can evaluate this situation in the field of online purchasing positively.

Kim, Xu, Gupta (2012) published: "Price is considered to be the most important factor that influences customer purchasing decisions in Internet shopping." They are true. Any researches don´t have to be done to know that lower price is pre-dominate factor. There is the same situation in the Czech Republic. As we can see in Table 2 price is the most important factor for online buyers. The second one is convenience and the possibility of online quick comparison of products. Customers can return the products in two weeks after purchasing without any reason but this factor is not significant. The other reasons were e.g. wider range of products and possibility of purchasing products from abroad.

Table 2 – Customers´ Main Reasons for Using Online Shops (own survey)

	%
Price	77.8
Convenience	68.9
Comparison	49.3
Product return	6.9

E-shop selection criteria

Chaffey (2006) defines the key areas where customers have high expectations of online retailers. The main areas are:

- Logistics
- Security and privacy of information
- Timeliness
- Availability
- Convenience
- Customer service

Criteria for choosing an online shop differ from customer to customer. The most frequent criteria were chosen for the analysis and the results are illustrated in Figure 25. Czech online customers choose an e-shop mainly based on references, clarity and menu navigation, terms of delivery, graphic design and additional services of the e-shop. It seems that graphic design is not very important for Czech online customers when selecting an e-shop.

Sophisticated customers read discussions on the Internet before they spend their money online. It is obvious when customers who are not able to orientate themselves in the e-shop (confusing menu or navigation, the customer is not able to find the product quickly and easily) leave e-shop very quickly.

Customers use e-shops because they do not want to waste their time visiting brick and mortar shops but they need to have products quickly available. Furthermore, delivery conditions are very important for customers as well. It is quite surprising that Czech online customers do not verify e.g. e-shops' participations in Internet associations, e-shop's history; or they do not read delivery and sales terms.
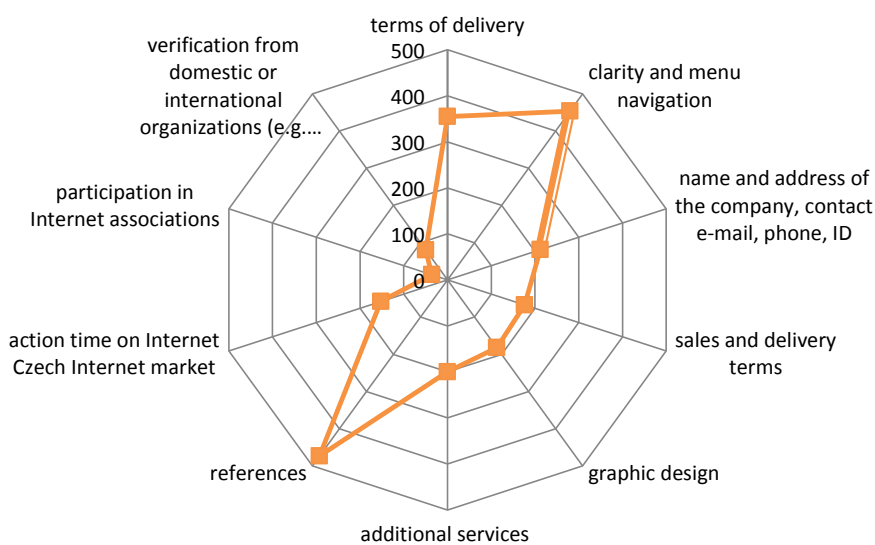
Figure 5 - E-shop selection criteria in absolute numbers (own survey)

Figure 6 illustrates the main information sources which are relevant for e-shop selection. As we can see, references are the most important source of information when looking for the best e-shop. 70% of respondents use references from their friends as the most significant information source. Positive or negative word-of-mouth influences online business more strongly than traditional businesses because it is something intangible for customers and they need to trust this business. Internet discussions are vital for 46.9% of respondents. They are

similar to word-of-mouth because real customers and users discuss e-shops, products or services and give recommendations to potential customers. Official reviews influence 47.3% of online buyers. Online customers are more sceptical to official reviews because they are prepared by professionals and not by real customers and users.
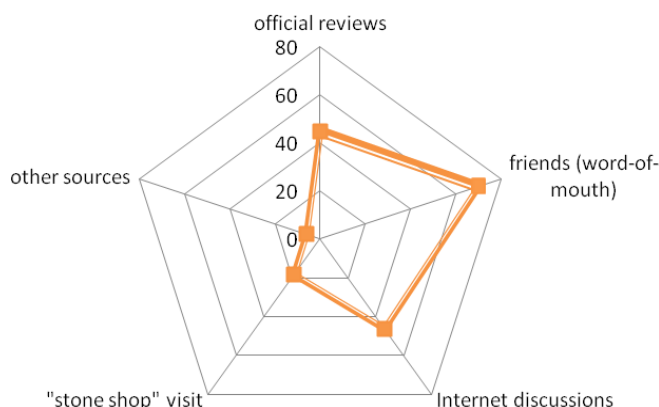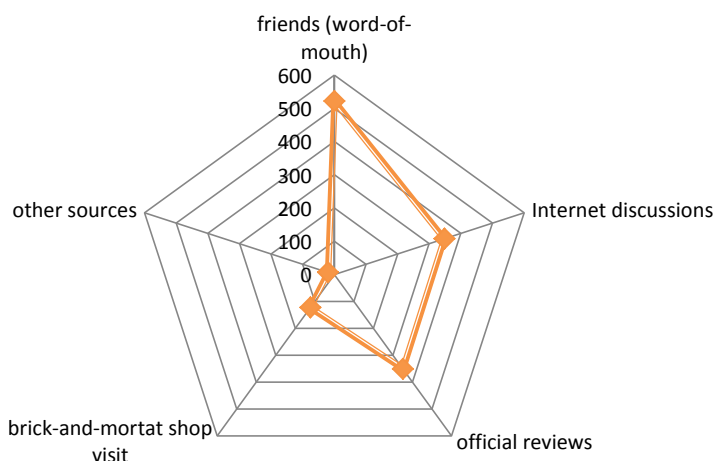
Figure 6 – Information Sources Significant for E-shop Selection in % (own survey)

Online buying frequencies in the Czech Republic

People who buy online (regardless whether regularly or irregularly) buy mostly once in a quarter year (32.3%). The second rate of buying frequency is once in month (23.9%). Other frequencies are presented in Table 10 below. (Note: the base for this statistics was generated from regular and irregular online buyers totally and separately for each group. Non-buyers were not counted.)

If we look at the results separately (comparing regular and irregular online customers), we can see the obvious difference. Regular online customers purchase online mostly once a month (or 2-5 times a month) and irregular online customers use Internet for purchasing products and services mostly once a quarter year (or once a half year). Therefore their online buying behaviour is very much different from this point of view.

Table 3 – Online Buying Frequencies in % (own survey)

Online Buying Frequencies	Total regular and irregular online customers	Regular online customers	Irregular online customers
Once a week	2.8	6.4	0.6
2-5 times a week	1.1	2.5	0.2
Once a month	24.9	40.0	15.8
2-5 times a month	14.0	28.6	5.2
6-10 times a month	0.7	0.4	0.9
11-20 times a month	0.3	0.7	-
More than 20 times in month	0.1	0.4	-
Once in three moths	32.0	16.4	41.5
Once in six moths	14.9	1.4	23.1
Once a year	4.4	0.7	6.7
Other frequency	4.7	2.5	6.0
Total			

The relationship between online buying frequencies and online buying is relatively strong (0.533, p = 0.01). Correlation is significant at 0.01 level. There is a significant positive relationship between these two variables Determination coefficient is 28 % and it represents as significant relation.

Table 4 – Correlations between online buying frequencies and online expenses (own survey)

	Online Buying Frequencies	Online buying
Online Buying Frequencies	1	0.533
Online buying	0.533	1

Czech online customers prefer shopping in specialized e-shops. Generally speaking we can say that specialized e-shops offer their customers the following advantages:

- Lower prices in comparison with large shopping malls
- More detailed product range
- More logically organized product display

Online shops preferences

Czech online customers prefer Czech (or Slovak) e-shops (75 % of respondents) as we can see in Table 5. Unavailability of specific brands on the Czech market and price are, according to the results of a survey conducted by PayPal, the main reasons why Czechs shop online abroad. (Vyleťal, 2013)

Table 5 – E-shops preferences in % (own survey)

	%
Czech (Slovak) e-shops	75
Foreign e-shops	3
CZ (SK) + Foreign e-shops	22

The main reasons for preferring Czech e-shops are:

- better and quicker complaining process;
- speed of product delivery;
- higher level of trust in Czech e-shops.

Other results are in Figure 7 below. An interesting finding lies in the fact that the top reasons regarding the preference for shopping in Czech e-shops are not language barriers and lower prices. Customers can often find cheaper goods in foreign online shops, but they must take into consideration higher transport costs.

Figure 7 – Reasons for Czech e-shop preferences (own survey)

Only 3 % of respondents prefer foreign e-shops for purchasing products. For them the main reasons why they buy in e-shops abroad are:
- wider products offer;
- lower prices than in Czech e-shops;
- higher quality products than in Czech e-shops.

Online expenses

Table 6 shows online expenses. It's evident that the most online customers spend between 1,000 and 10,000 CZK a year. About 92.8 % of online customers spend 30,000 CZK or less

in the Czech Republic. Other results are shown in Table B below. (Note: the base~~is~~ for this statistics was generated from regular and irregular online buyers totally and separately for each group. Non-buyers were ~~n't~~not counted.)

Table 6 – Online ~~E~~expenses by Czech ~~O~~online ~~C~~customers in % (~~own research~~own survey)

Online Expenses	Total regular and irregular online customers	Regular online customers	Irregular online customers
Less than 1000 CZK	4.8	1.8	6.7
1001 - 5000 CZK	35.1	16.8	46.2
5001 - 10 000 CZK	30.8	28.9	32.0
10 001 - 30 000 CZK	22.1	37.9	12.5
30 001 - 50 000 CZK	4.3	9.3	1.3
50 001 - 100 000 CZK	1.7	3.2	0.9
100 001 and more	1.1	2.1	0.4
Total	100.0	100.0	100.0

The relationship between online buying frequencies and online expenses is weak (-0.356, p = 0.01). Correlation is significant at 0.01 level. There is a weak negative relationship between these two variables. It might be interpreted that customers who buy online frequently spend less money there. Determination coefficient is 13 % and it represents weak tightness of these variables.

Table 7 – Correlations between ~~O~~online ~~B~~buying ~~F~~frequencies and ~~O~~online ~~e~~Expenses (~~own research~~own survey)

	Online Buying Frequencies	Online Expenses
Online Buying Frequencies	1	-0.356
Online Expenses	-0.356	1

Fears by internet shopping in the Czech Republic

All online users have some worries about purchasing online. It does ~~n't~~not ~~depend~~signify if they purchase online regularly or irregularly. The main worries are presented in Figure 37. We can see that most people are afraid of ~~reclaiming~~complaints products (49 %) or their testing (58 %). 43 % of respondents marked misuse of personal data and security (37 %) as an important barrier against Internet shopping ~~acceptation~~acceptance.

It is surprising that only 43 % of respondents marked misuse of personal data as a relevant worry because the fear of security and ~~private~~personal information is generally very high ~~generally~~ in the society. ~~This thesis is relevant because of a lot of IT affairs worldwide.~~ On the other hand, this information is also positive ~~It is positive information on the other side~~ because it seems that Czech online customers start to trust this medi~~a~~um.

If we compare the approach of regular, irregular and non-online buyers, we can see that all of these segments have the same worries. The impossibility of product testing, problems with complaints, problems with product return and misuse of personal data are the main worries about online purchasing.
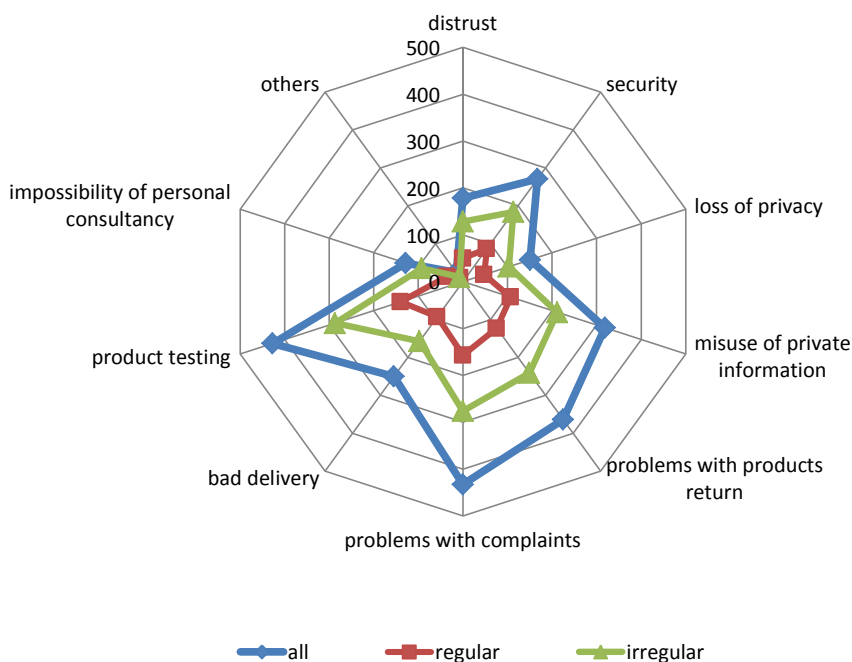

Figure 8 – Fears by Internet shopping in the Czech Republic (own survey)

Table 8 shows correlations between online purchases and demographics characteristics of respondents. The relationship between age of Internet users and their level of Internet literacy is weak (-0.406, p = 0.01). Correlation is significant at 0.01 level. There is a weak negative relationship between these two variables. It might be interpreted that older Internet users have lower level of Internet literacy. Determination coefficient is 16.5 % and it represents weak tightness of these variables. The relationship between age of Internet users and online purchase is weak as well (0.420, p = 0.01). Correlation is significant at 0.01 level. There is a weak positive relationship between these two variables. Determination coefficient is 17.6 % and it represents weak tightness of these variables. Other results are shown in Table 8.

Table 8 - Correlation between online purchases and demographics characteristics (own processing using SPSS)

		Online purchase	Age	Gender	Level of Internet Literacy	Education
Online purchase	Pearson Correlation	1	.420**	-.094**	-.465**	-.313**
	N	882	882	882	882	882
Age	Pearson Correlation	.420**	1	.044	-.406**	-.226**

	N	882	882	882	882	882
Gender	Pearson Correlation	-.094[**]	.044	1	.209[**]	-.074[*]
	N	882	882	882	882	882
Level of Internet Literacy	Pearson Correlation	-.465[**]	-.406[**]	.209[**]	1	.351[**]
	N	882	882	882	882	882
Education	Pearson Correlation	-.313[**]	-.226[**]	-.074[*]	.351[**]	1
	N	882	882	882	882	882

Why Czech people don´t accept Internet as a medium for purchasing products or services? What they feel as biggest barriers for using this media as shops? There exist many reasons. Respondents could tick more than one answer so the total of answers can´t be hundred per cent. 61 % of respondents think that the biggest barrier of Internet shopping is general fear of personal data misusing. About 50 % of them think that the reason is low trust in information technologies in Czech society. Figure 9 demonstrates other results.
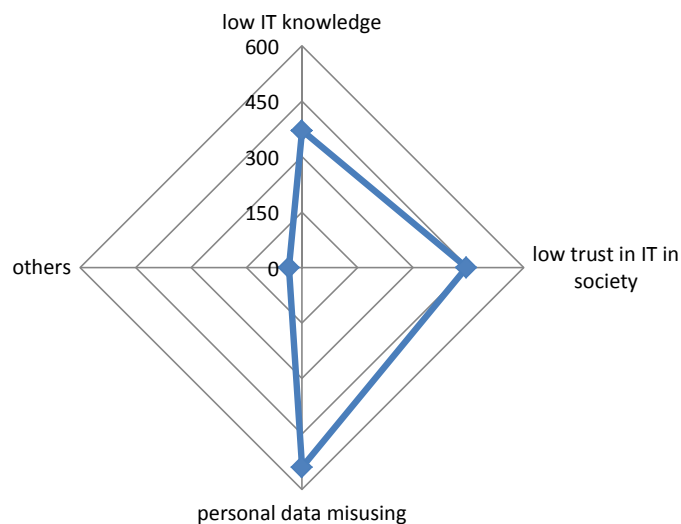

Figure 9 – Barriers of online shopping in the Czech Republic (own survey)

CONCLUSION

The problems of on-line buying behaviour are too broad to describe it in this paper. It is very hard to identify consumer buying behaviour in general. There exist a lot of influences and customers are thinking about each purchase more vigilantly than in traditional business environment. On the other hand this topic starts to be very popular between researchers. The Internet and its tools no longer feel unfamiliar. Still the majority of its users are afraid of online purchases even though there are a number of advantages. Young generation is an exception. The Internet enables (together with new marketing approaches) customers as well as companies quickly, efficiently buy and sell goods or services. The area of e-commerce is

still a new phenomenon in the Czech Republic, which is worth exploring and developing. Czech people use the Internet as a medium for purchasing products or services but they are still a little bit sceptical because they do not use it regularly. The impending second wave of the economic crisis gives rise to new e-shops. About 800 new e-shops are created each month in the Czech Republic out of which 200-300 best survive. Customers obviously benefit from this situation. There is a very strong competition on the Internet, as well as in the traditional business environment. As a result of this competition, prices of goods and services are constantly decreasing benefiting the customer. We can also observe that the prices no longer seem the most crucial factor influencing customers' behaviour. More frequently, online shoppers follow other criteria, such as security, trust, satisfaction, privacy and others typical for this particular shopping environment.

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