A STUDY REGARDING THE LEVEL OF TRUST THE YOUNG ROMANIAN CONSUMER HAS IN PAID MEDIA AS OPPOSED TO THAT IN EARNED MEDIA

MIHAIL-CRISTIAN DIȚOIU*

Abstract

Along with the evolution of the Internet and with its growing capacity to impose itself on the population, the consumer has become stronger through the simplification of access to information. Thus, 24 hours out of 24 hours, Internet users from all around the world are searching for relevant information about the product they desire. This is also the reason why organizations are striving to be as present as ever in the online medium, interacting with their consumers, monitoring the information dissipated by them on the Internet about their products, and measuring the effects they have produced. The media available to an organization is represented by: paid media, owned media and earned media. The problem that is raised is that of a correct management by the marketers so that the investment in one type of media will also pursue the conversion in another type of media, thus resulting, through the help of consumers, a chain. When a consumer wants to buy a product, he needs relevant information in order to make a decision. The information about the product is analyzed based on source credibility, which is seen as a perception of the degree of the consumer's trust. The present study tries to investigate the level of trust the young Romanian consumer has in paid media and earned media during the buying process. The study is conducted on a group of young Romanian people, with ages ranging from 18 to 24 years, from urban backgrounds. In order to observe if there exists a difference in the perception of media based on the type of medium the subject finds himself in, the survey has been conducted online, as well as offline.

Keywords: *level of trust, paid media, owned media, earned media, buying process*

Introduction

At a time when the consumer is bombarded with advertisement messages from everywhere, his level of trust in the information he is receiving is dropping. Positioning itself in the area of values-based communication, the present study is an exploratory investigation of the level of trust young Romanians have in two types of media during the purchasing process. Thus the marketers should plan media in time and they should allocate the budgets by choosing the proper information channel in which the consumer trusts and by achieving the conversion from one type of media to another trough the use of a continual communication that runs both ways.

The entire decisional process of buying contains the following five stages: the emergence of an unfulfilled need, the search for information and the identification of alternatives, the mental evaluation of alternatives, the result of this evaluation and the post-buying evaluation[1]. As Kotler[2] observes, these stages take place in sequencing. During the first phase the buyer observes a problem or an unsatisfied need, the marketer's role being to identify the conditions that bring about certain needs and to develop the strategies that catch the consumer's attention. In the second step the consumer searches for more information about the product and for alternatives, the marketer's job becoming that of tracking the sources of information accessed by the consumer, as well as keeping trace of the relative influence that these sources have on him. We may affirm that in the third stage –

* Assistant Lecturer, Ph. D. candidate, IOSUD ASE – Faculty of Marketing (email: ditoiu_cristian@yahoo.com).

[1] Iacob Catoiu and Nicolae Teodorescu, *Comportamentul consumatorului,* 2nd ed. (Bucuresti: Uranus, 2004), 34-42.

[2] Philip Kotler and Kevin Lane Keller, *Managementul marketingului,* 5th ed. trans. Cosmin Crisan and Smaranda Nistor (USA: Teora USA LLC, 2008), 287-300.

of evaluating the identified variety of products - there is no universal process that is used by all the consumers, but that these assessments are often based on the consumer's convictions and attitudes. The fourth step leads to the materialization of all the prior phases by making the decision to buy. The last stage - the post-buying behavior - reminds the marketers that the purchasing process has not yet been finished and that they need to have as goal the consumer's satisfaction, as well as the post-purchasing undertakings or the usages the acquired product can gain.

Analyzing things based on distribution, paid media represents that which the organization pays in order to obtain the channels, owned media refers to the owned channels, and earned media - the consumers become the channels[3]. Paid media is distributed on a limited number of channels, while earned media - on an unlimited number of channels[4]. In terms of its online aspect, earned media is now stable, everlasting, being at the same time a huge factor of influence. Even if earned media presupposes the allocation of money, its orientation is more in terms of management, than acquisition: the design of an editorial schedule, monitoring and the analysis of the results[5]. Earned media becomes an effect of paid or owned media, thus resulting in a media chain in which the consumer is a missionary[6].

The framework

The exploratory investigation was undertaken from December 2011 to January 2012 on a group of 300 young people, with ages ranging from 18 to 24 years, coming from an urban background. The sampling was done non-probabilistically by applying the snowball method and by using the questionnaire as a means of collecting data. Half of the research was conducted through the use of the Internet by questioning online a number of 150 young people, and the other half was carried out offline/in a traditional style on a number of 150 young people.

As for the level of trust the subjects have in paid and earned media, the following scale was used: 1 = total lack of trust; 2 = high degree of distrust; 3 = moderate degree of distrust; 4 = low degree of distrust; 5 =neutral (neither distrust nor trust); 6 =low degree of trust; 7 = moderate degree of trust; 8 = high degree of trust; 9 = absolute trust.

During the process of purchasing the consumer is influenced by the sources of information. The basis of all this information is the organization, which reaches the consumer through the help of the media. There are three types of media available to the organization: paid media, owned media, and earned media.

In the study "Rethinking paid, earned and owned media: New rules for marketing performance" from "Initiative" we have the following things defined: paid media as the advertisement space acquired from TV, print, online, etc.; owned media as the space of communicating the brand directly to the consumer, without intermediates, an example from this point of view being a company website; earned media - as the space controlled by the consumer, such as word-of-mouth, testimonials, etc. By reading the study put forward by those from "Initiative" it appears that 43% of all consumers buy a brand after they have previously checked it out on the Internet. They have also reached the conclusion that there is no unique formula for success regarding the three types of media, hence while consumers from Australia trust paid media, those from Spain

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[3] Sean Corcoran, "Defining Earned, Owned And Paid Media," *Forrester* (blog), December 16, 2009, http://blogs.forrester.com/interactive_marketing/2009/12/defining-earned-owned-and-paid-media.html.

[4] Gil Rudawsky, "Earned media vs. paid media: A 7-point list of benefits," *Ragan's Pr Daily Europe* (blog), September 29, 2011, http://www.prdaily.eu/mediarelationsEU/Articles/Earned_media_vs_paid_media_A_7point_list_of_benefi_9635.aspx.

[5] Greg Shove, "The new PEO media model," *iMedia Connection* (blog), June 22, 2011, http://www.imediaconnection.com/content/29345.asp.

[6] Lauren Drell, "How Social Media Is Changing Paid, Earned & Owned Media," *Mashable Business* (blog), June 23, 2011, http://mashable.com/2011/06/23/paid-earned-owned-media/.

have trust in a mix of owned media and earned media. Romania was not included in the sampling of the survey from "Initiative". At the end of the study they observed that paid and owned media have influenced half of the activity in earned media[7].

Within the boundaries of the present study that has as target Romanian youths two types of media have been taken into consideration: paid media and earned media. Owned media has been considered as being part of paid media because the organization must pay for both of them, and the consumers see them as commercial sources, while earned media can at best be influenced with the help of paid media. Because it cannot be fully controlled by the organization, the consumers define earned media as an independent source. The research conducted online and offline has lead to results.

The consumer's interest in buying a product is triggered in a higher degree by earned media (64%) than paid media (36%) in the online research, while in the offline research earned media has reached a percentage of 54%, and paid media of 46%.

The stage in which the consumer seeks information about the product that triggered his purchasing interest presents the following distribution of trust as a function of the number of appearances of the grade that designates his level of trust. In Diagrams 1 and 2 we can observe that in the online survey the most frequent mark is 7 for both types of media and that in the offline survey, the most frequent marks are 7 for paid media, and 6 for earned media. These two sets of repartition indicate the direction and the intensity of the consumer's trust in paid and earned media. The point which resumes the intensity of the sample's image is the weighted arithmetic mean of all the opinions, this mean being: for paid media 5,46 (online questionnaires) and 5,91 (offline questionnaires); for earned media 6,73 (online questionnaires) and 5,90 (offline questionnaires).

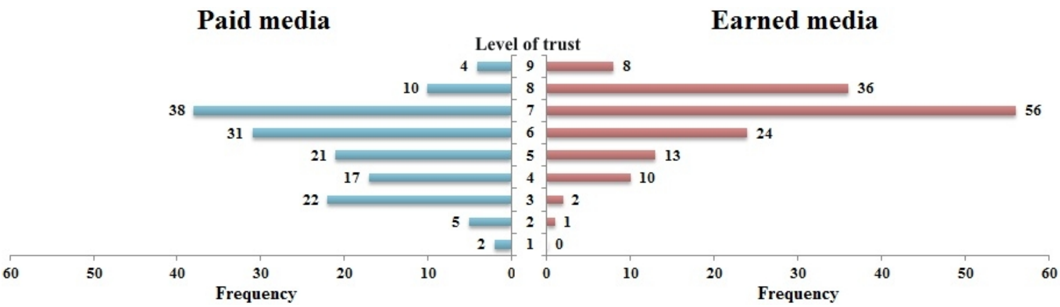

Diagram 1. The distribution of the consumer's trust in paid and earned media as a function of the frequency of the grade attributed to the level of trust during the stage of searching for information - online survey

[7] Initiative. "Rethinking paid, earned and owned media: New rules for marketing performance, " news release, September 6, 2011, http://initiativeblog.ro/wp-content/uploads/2011/09/06.09.2011-Press-Release-Initiative-Launches-Paid-Earned-Owned-Media.pdf.

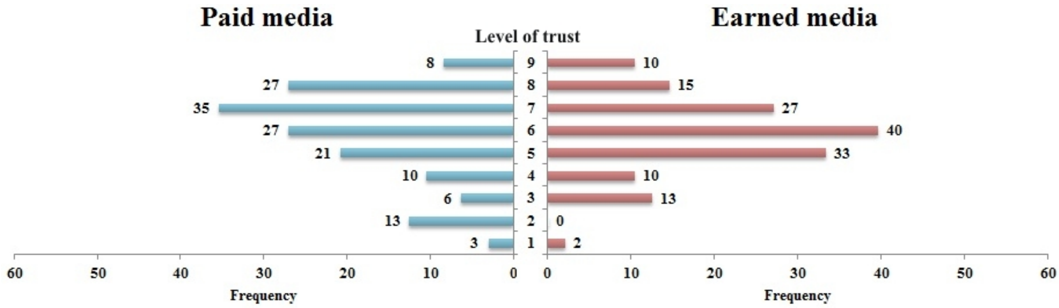

Diagram 2. The distribution of the consumer's trust in paid and earned media as a function of the frequency of the grade attributed to the level of trust during the stage of searching for information - offline survey

During the process of evaluating the identified alternatives for the product, but before reaching the stage of developing the intention to buy and before making this decision, the consumer's level of trust presents the following distribution:

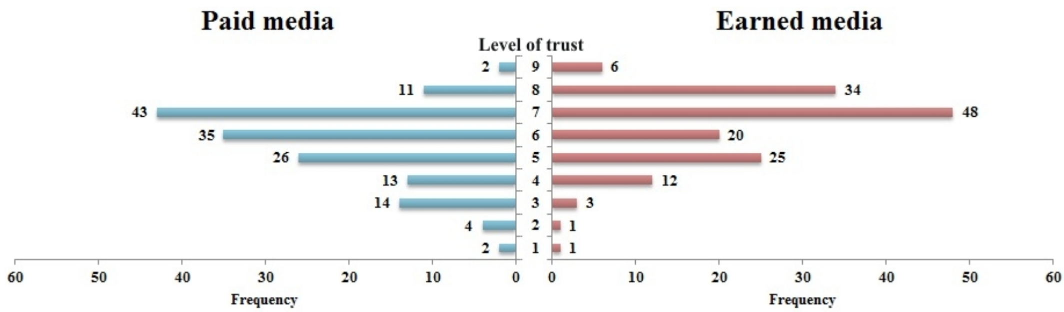

Diagram 3. The distribution of the consumer's level of trust in paid and earned media as a function of the frequency of the mark attributed to the level of trust during the stage of evaluating the alternatives for the product - online survey

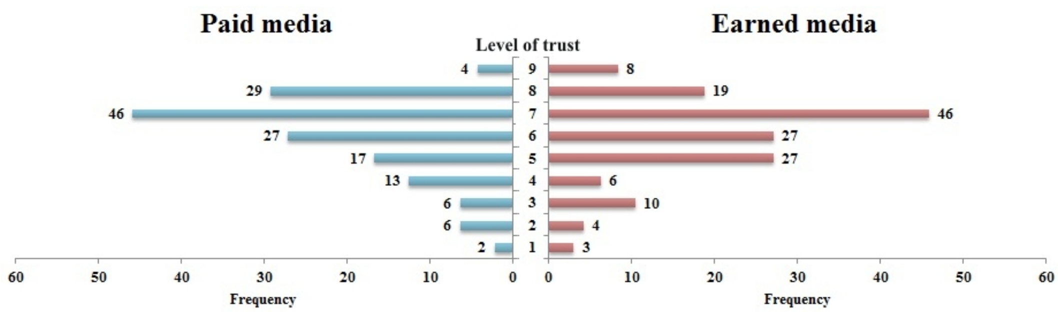

Diagram 4. The distribution of the consumer's trust in paid and earned media as a function of the frequency of the mark attributed to the level of trust during the stage of evaluating the alternatives for the product - offline survey

Diagrams 3 and 4 show us that the most frequent mark attributed to the level of trust in both types of media is 7, in online surveys and in offline ones, as well. The weighted arythmetic mean for the paid media is 5,67 (online surveys) and 6,14 (offline surveys), and for earned media – 6,45 (online media) and 6,05 (offline surveys).

When the consumer places himself in the stage of making the finale decision to buy, the distribution of his level of trust in media is the following:

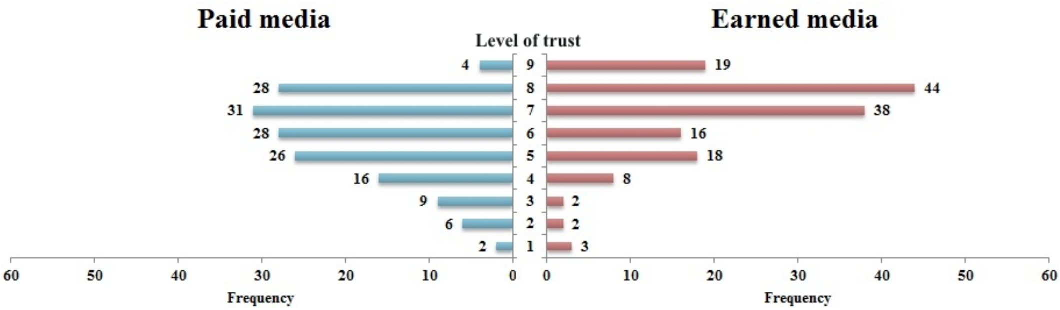

Diagram 5. The distribution of the consumer's trust in paid and earned media as a function of the frequency of the mark attributed to the level of trust during the stage of taking the final decision to buy - online survey

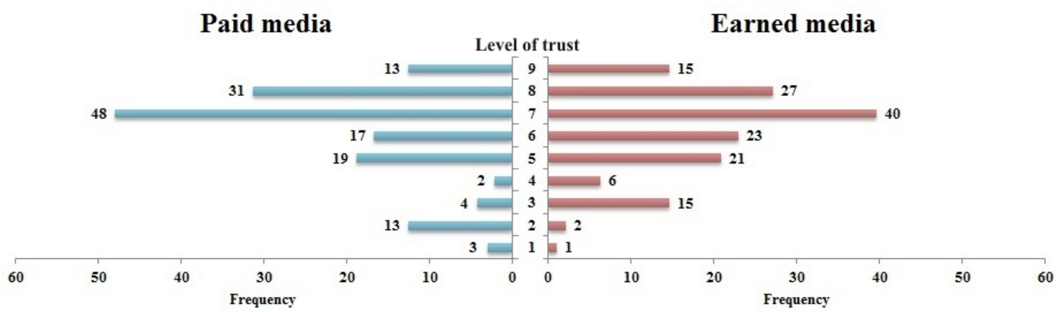

Diagram 6. The distribution of the consumer's trust in paid and earned media as a function of the frequency of the mark attributed to the level of trust during the stage of taking the finale decision to buy - offline survey

According to Diagram 5, in the case of the online survey, the most frequent grade attributed to the consumer's level of trust in paid media is 7, and in the case of earned media - 8. According to Diagram 6, in the case of the offline survey the most frequent grade for both types of media is 7. By calculating the weighted arithmetic mean we obtain for paid media the value 5,87 (online survey) and 6,31 (offline survey), and for earned media - 6,80 (online survey) and 6,32 (offline survey).

Once the decision to buy has been made, the process is not finished, and we thus enter the stage pertaining to the post-buying behavior. For example, the consumer's satisfaction is one of the indicators that should be analyzed by marketers. As for the type of media, which establishes for the consumer a horizon of expectations regarding the bought product that are closer to his perceptions of the acquired product's performance, the percentages are the following: during the online survey, paid media 33%, and earned media 67%; during the offline survey, paid media 49%, and earned media 51%.

To this post-buying stage is also linked the satisfaction or non-satisfaction of the consumer regarding the purchased product. From the online survey results that, when the consumer is content with the product, he will recommend it to other people he knows. The percentage of people who have indicated that they recommend the product is of 49%. When the consumer is dissatisfied with the product, he will no longer buy it, 36% of the subjects choosing not to buy the product again. The rest of the post-purchasing actions from the online survey are presented in Tables 1 and 2.

Table 1.

The manifestation of satisfaction – online survey	
Recommends	49%
Reiterates the purchase	17%
Becomes a loyal costumer	10%
Uses with pleasure	9%
Gives a good review	8%
Is happy	7%

Table 2.

The manifestation of dissatisfaction – online survey	
Doesn't buy any more	36%
Gives negative publicity	23%
Doesn't recommend	17%
Files a complaint	12%
Returns product	9%
Is angry	3%

Table 3.

The manifestation of satisfaction – offline survey	
Recommends	61%
Reiterates the purchase	23%
Becomes a loyal costumer	9%
Uses with pleasure	5%
Gives a good review	2%
Is happy	0%

Table 4.

The manifestation of dissatisfaction – offline survey	
Doesn't buy any more	30%
Gives negative publicity	30%
Doesn't recommend	27%
Files a complaint	7%
Returns product	5%
Is angry	1%

Table 3 and Table 4 show us the post-buying actions of the consumer when he is content with the purchased product or when he is dissatisfied, according to the offline survey. When they are satisfied with what they have bought the percentage of consumers that recommend the product is 61%. Taking into consideration the hierarchy there nevertheless appears a change from the online survey, in a situation of dissatisfaction, when, according to the acquired percentages, the first positions are represented by the following actions: doesn't buy any more (30%) or gives negative publicity (30%).

Overall: the source of good information during the buying process is represented by earned media (Diagrams 7 and 8).

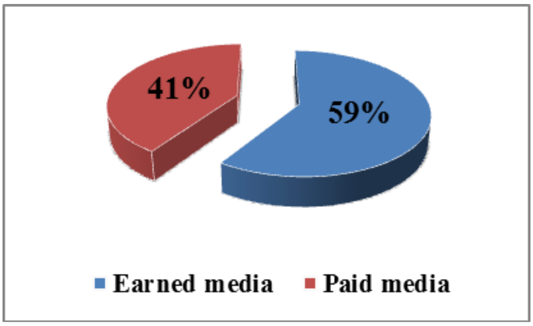

Diagram 7. Media as a source of good information during the buying process - online survey

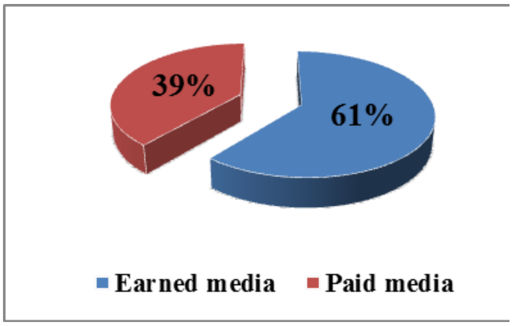

Diagram 8. Media as a source of good information during the buying process - offline survey

At the end of the research the consumers' opinions have been analyzed in the case of a touristic product. When the consumer chooses his vacation destination based on the trust he has on the quality of the information from those two types of media, the results from the online survey places paid media at 37% and earned media at 63%, and from the offline questionnaire paid media gains 44% and earned media 56%. When the question arises whether to purchase a vacation or not, the consumer is influenced in a much higher degree by earned media because we have the following percentages: 59%, according to the online questionnaire, and 51% in the case of the offline questionnaire. Paid media influences 41% of the subjects according to the online questionnaire and a percentage of 49% in the case of the offline questionnaire.

Conclusions

It becomes more obvious by the minute that the consumer's behavior is changing as a result of introducing the Internet and of the emergence of online social networks which are in the benefit of earned media. The access to information about the products, as well as their online purchasing are now facilitated.

The present research has strived to study the level of trust the young Romanian consumer has in paid and earned media during the buying process. In all the five stages pertaining to the buying process earned media has obtained from an overall point of view a higher credibility score than paid media. During the online research, throughout every stage of the buying process, the level of credibility in earned media is higher than in the case of the offline research regarding the same type of media. In what regards the offline research, throughout every stage of the purchasing process, the credibility of paid media is higher than in the case of the online research regarding the same type of media.

The consumer's post-buying actions materialize in accordance to the subjects when they are satisfied about the bought product: recommendations, the reiteration of the purchase, loyalty, using the product with pleasure, giving good reviews, or obtaining a state of well-being. In both the online and offline surveys the most common among satisfied consumers is the recommending of the product to other people known. In what regards the consumer's post-purchasing actions when he is dissatisfied, these are the following: failing to re-purchase the product, negative publicity, the lack of recommendation, filing a complaint, returning the product, or a state of unhappiness. According to the online research the consumer's dissatisfaction with the product he has just purchased impels him not to buy it again. The offline research establishes that two of the most frequent actions the consumer takes when he is discontent are to give negative publicity and not to buy the product.

Marketers should take into consideration the fact that earned media represents an alternative in an environment which is overwhelmed with the organization's messages toward the consumers, and they should bring to use the credibility of this independent source. It has always been known about how high an efficiency recommendation has in influencing the consumer during the buying process. The Internet and the social networks are very helpful nowadays in the dissemination of this type of recommendation, and thus they lead to earned media. But it is up to the marketer to choose the best media mix, based on, for example, as this study has shown, the stage in which the consumer finds himself during the purchasing process and the type of medium he habituates in that particular moment. The media strategies and planning must also be interested in the conversion from paid media to earned media, as well as in the opposite type of conversion, the consumer being their main area of focus. By shifting the focus during the purchasing process on the satisfaction of the consumer, more earned media would be generated, thus having a higher level of credibility as a source of information, in spite of the fact that this information is not always as accurate as it should be. Earned media can sometimes function as a guaranty of the choice. In order to obtain correct information it is high time that owned media appeared as a support for earned media, and that paid media represented the link between owned media and earned media.

Research should be continued so as to identify the sources that generate earned media, to obtain the optimum mix of media and to trace the influence of earned media in the context of different categories of products, target-groups and the environments in which these groups can be found. Another research direction could be towards transforming consumers into brand ambassadors through earned media.

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