Modelling the Choices of Romanian Consumers in the Context of the Current Economic Crisis

Madalina Balau¹, Doinita Ariton²

Abstract: Consumption is a key factor of the nowadays post-industrial society, while it is a real engine of production, diversity of offer and demand, and motive for innovation. On the other side, consumption can be harmful to the same society and to environment if it develops in an un-sustainable way. That is why, understanding the consumer behaviour is of great importance not only to satisfy his or her needs but also to find appropriate means to educate people and issue policies that can lead to sustainable consumption and development. The paper presents some models and theories regarding the consumer behaviour and proposes means to influence consumption characteristics and habits of people. The modelling approach is deterministic, using Expectancy-Value theory, taking into account not only explicit (rational) choices but also habits or incentives (non-rational choices), in a weighted quantitative model. The novelty of the approach consists in the way non-rational choices are taken into consideration for the existing model, and on how it is used in determining directions for sustainable consumption. The study is developed on public data regarding consumers of general goods in Romania.

Keywords: consumer behaviour models; Expectancy-Value Theory; sustainable consumption.

JEL Classification: M0; M1; M10

1 Introduction

Today, in the frame of the “consumer society” it became very important to study the consumer’s behaviour and its impact in various aspects of the society. In the common view of nowadays citizen, the consumer rights and consuming in general are obvious everyday matters that, perhaps, do not matter at all but satisfying some needs – in general or in special ways. However, the actions that any kind of consumer may take, and choices they make, lead to a certain range of products and services for a specific way to live. All these actions have direct and indirect impacts on the environment as well as to community and to personal states.

From the point of view of the consumer, also of the goods suppliers, everyday and special needs should be satisfied in the best way. From the point of view of the community, also the policy makers, every consumers’ actions and their impact on the environment should comply with some standards and restrictions. The dynamics of the society put the two categories of actors face to face and both facing the sustainable development desirable needs for saving the future of the earth and the humanity.

For the reasons above, the consumer’s behaviour and consumer culture are of greatest importance; hence, the scientific world is concerned on: (1) why consumers behave in certain ways? (2) what factors shape and constrain his or her choices and actions? (3) when do people tend to preserve environmental or social values and how could they be encouraged? What changes should be made in their attitudes and in the global/local policy to encourage, motivate and facilitate more sustainable attitudes, behaviours and lifestyles?

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The present paper tries to raise questions above from a point of view of the consumer behaviour in Romania. The modelling of the consumers’ behaviour uses the Expectancy Value Theories and the case study regards some facts on Romanian people reaction on environmental and social matters linked to sustainable development.

2 Theoretical Models for Consumer Choices

After some authors (Miller 1995), the consumption represents the ‘vanguard of history’, in the sense that it is an engine of the modern society. Besides its functional role in satisfying needs (as food, housing, transport and recreation) it is also involved in processes of social identity and distinction, a status of the person in the society. The symbolic role of the consumer goods facilitates the social status and cohesion, personal and cultural meanings of individuals.

However, consumption is not an exercise of deliberative choice, while much of the time people find themselves in an unsustainable and unconscious consumption patterns. The consumer’s blockage occurs through some incentive structures and institutional barriers brought by society, position and quite advertising matters, or by habits, routines, social norms and expectations or cultural values. So, any model should take into account some ‘deterministic’ parts of the intentional and conscious consumption and parts of ‘un-deterministic’ consumption coming from habits and incentives.

There is always a tension between simplicity and complexity in modeling the consumer behaviors. The more complex models can increase the theoretical understanding but are too little structured to be suited for an empirical quantification of attitudes and intentions (for instance). The less complex models can provide the needed empirical quantification but might hinder the conceptual understanding, since they might exclude some variables or some key relations among them.

Another inherent problem on the behaviour modelling comes from the variables’ types which one should measure by various models. In the first place, the researcher can discriminate a set of approaches which can be studied as behaviour models, regarding internal processes and characteristics of the person: attitudes, values, habits, and social norms. The other set of approaches will study the behaviour related to external processes of the person: fiscal discounts, legislative advantages, institutional and social restraints.

The ‘internalist’ approach was observed especially in subjects like social psychology; the ‘externalist’ cognitive approach was mainly applied in subjects such as behavioural analysis and institutional and evolutionary economics. However, differences between subjects are not always abrupt and immediate. For example, some early sociological work on consumption have characterized modern consumers in terms of behaviour ‘envious’, while they were designed (mainly) as a response to internal cognitive processes. Subsequent consumption sociology approaches put more emphasis on external constraints, on consumption ‘practices’ and on ‘social logic’ of the consumer’s behaviour. Marketing studies usually adopt a more eclectic approach, taking ideas from both perspectives, and tending to focus on important economic or ethnographic matters which may reveal consumer tastes and preferences.

It is fair to say that such kind of tensions are far from being solved. There have been several ambitious attempts - for example by Bagozzi and his colleagues (Bagozzi et al 2002) and by Stern and his colleagues (Stern 2000, Guagnano et al 1995), attending to build coherent patterns for consumer’s behaviour, able to capture both ‘internalist’ and ‘externalist’ dimensions in the consumer’s choice.

However, there exist an enormous variety of models which are more applicable - some quantitative and others qualitative. They can be used to explore the consumer’s behaviour as it is summarized in. Table 1. A number of common models are suitable for questioning the consumer’s behaviour but that does not exhaust possibilities of modelling on this topic.
### Table 1. Socio-Psychological Theories on the behaviour and change

<table>
<thead>
<tr>
<th>Socio-Psychological Theory</th>
<th>Key authors</th>
<th>Description</th>
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<tbody>
<tr>
<td>Cognitive Dissonance Theory</td>
<td>Festinger 1957</td>
<td>Consider that people tend to avoid contradictory beliefs, attitudes and values to them.</td>
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<tr>
<td>Expectancy-Value Theory</td>
<td>Fishbein 1973, Ajzen and Fishbein 1980</td>
<td>A class of theories (such as theory of rational choice) based on the idea that behaviour is motivated by expectancies and values we promote</td>
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<tr>
<td>Interpersonal Behaviour (TIB)</td>
<td>Triandis 1977</td>
<td>Similar to the theory of Reasoned Action TIB comprises both the expectancy and normative belief. However, TIB includes also the influence of habits social and affective factors of the behaviour.</td>
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<tr>
<td>Means End Chain Theory</td>
<td>Reynolds and Olson 2001</td>
<td>The expectancy-value theory in a qualitative form, in a layered relation of preferences related to attributes, consequences and values.</td>
</tr>
<tr>
<td>Normative Conduct</td>
<td>Cialdini, Kallgren and Reno 1991</td>
<td>It considers that the behaviour is guided by social norms – which inherently are either descriptive (what is done) or restrictive (what has to be done), and the strengths of those types of norms depend on multitude of factors in the current context.</td>
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<tr>
<td>Self-Discrepancy Theory</td>
<td>Higgins 1987</td>
<td>It suggests that peoples’ motivation is stimulated through sentiments induced by the gap between the real and ideal situations of them.</td>
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<tr>
<td>Structuration Theory</td>
<td>Giddens 1984</td>
<td>It tries to offer a model for the relation between action and structure (social or institutional context). It is based on the distinction between practical and discursive consciousness.</td>
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### 3 Romanian Consumer Choices in the Context of the Economic Crisis

The theory of planned behaviour (Ajzen and Madden 1986, Ajzen 1988, Ajzen 1991) has it’s starting point in the Theory of Reasoned action, specially designed for contexts where actions are not under the control of will. Thus the model includes besides the variables of beliefs, evaluation of consequences and subjective norm a new variable known as perceived behavioral control (PBC) as an indicator of intention as well as action. PBC “the person’s belief as to how easy or difficult performance of the behaviour is likely to be” (Ajzen and Madden 1986). Ajzen (1991) offers two arguments in support for this hypothesis. Firstly, he claims that keeping intention constant, the success rate in performing the intention depends of the strength of our belief that we can perform that specific behavior. Secondly, Ajzen claims that the perceived behavioral control can be used as an indicator of the control over the performed behavior. PBC is able to correctly indicate the control over the performed behavior leading to a strong correlation between intention and behavior.
The Theory of Planned Behavior is a model that deserves to be tested in the Romanian consumer context, as it is a very commonly used model to understand behavior but its assumptions were tested only on western consumers and not on Romanians. The problem within this aspect is the fact that the freedom of choice for the Romanian consumer has started to be exerted only 20 years ago, and practically this freedom of choice is available to the average consumer only since 2000, when purchase power has increased as well as the diversity of products available on the market. So the question is degree in which the theory of the planned behavior is correctly predicting the Romanian consumer behavior. And if it’s predictability is low, there will be needed an identification of the aspects that differ for Romanian consumer as well as the satisfaction felt as a result of these choices.

The choices of the Romanian consumer seem to have changed as a consequence of the economic crisis, at least compared to the consumption behavior between 2007-2008. Among the major changes identified in the market by the marketing departments of the companies there are some that have influenced the marketing activity on the short term. Thus, as a general trend there can be noticed the lack of a reasoned behavior. Consumers react only when stimulated by practical economic events, following a cause-effect dynamic. In spite of this, there is an increasing pragmatism in the choices made. The negotiation between quality and price becomes more important than the spontaneous and compulsive buying tendencies. As a result, consumer keeps an emotional attachment to familiar products, but becomes more rational and pragmatic concerning the new temptations.

Although quality remains an important purchasing criteria for all product categories, consumers are concerned more than in the previous periods with the price of their purchases (ISRA Center Marketing Research, 2010). Concerning food buying decisions, for example, this aspect was of major importance for 20% of the persons interviewed in February 2009 and for 26% in August 2010. During the four waves of the “Buying Habits” Study, the “price” criteria has increased for non-alcoholic drinks (from 20% to 32%), for products of personal hygiene (from 18% to 31%) and products of house cleaning (from 22% to 33%). When choosing a certain product in general, without stating the category, respondents show that the price is the first aspect they consider (42% in November 2009, 44% in August 2010). As well, during the last nine months, there is a significant increase in the percentage of
consumers who consider or will consider the promotional campaigns (from 35% last year, to 41% in present).

4 Conclusions

The consumption behavior of the Romanian consumer has insufficiently been studied in the scientific research literature. The usual approach consisted of marketing researches aimed at increasing short term sales, and have as a starting point the behavioral models tested only in the western context, where there is a long history of freedom of choice for the consumer. On the short run some of these studies produced the results for which they were conceived, but there is a lack of scientifically testing the assumptions behind the behavioral models used. This situation makes the Romanian consumer remain an economic actor with a very unpredictable behavior, when this situation could be improved with better tailored tools for collecting data and especially a new insight on how information in interpreted.

The aim of this paper was to identify a theoretical model concerning consumer choice that could be further tested on Romanian consumers in later research.

5 References


