

MODERN RETAIL AND ITS INFLUENCE ON CONSUMER BEHAVIOR

Ciprian PAVEL
Florea VLAD

Abstract: *Consumer behavior is undergoing a radical metamorphosis. The crisis has made Romanians more thoughtful and more open to new experiences, over which overlapped the ascension of the internet and the growth of modern retail. This trend is supported by the analysis of modern retail expansion in Romania which influences consumer behavior.*

Keywords: *modern retail, consumer behavior, trends*

INTRODUCTION

By "consumer behavior" we understood those processes in which individuals choose, buy, use or dispose of products, services to meet their needs or group needs.

Classical theory and neoclassical: the paradigm is based on pure rationality of individuals. Consumer behavior is influenced by three factors: the price of products, *income* and *consumer preferences*¹.

According EKB model (Engel, Blackwell Kollat and) the consumer's decision-making process includes the following steps²:

From the economic point of view, the decision to purchase is determined by the price of products and budgetary restriction. In addition to these items, consumer behavior is influenced by other external and internal factors such as cultural factors, social factors, personal factors, situational factors, psychological factors etc³.

Cultural factors exert the strongest influence on consumer behavior through: culture, subculture and social class to which he belongs. In addition to these items, consumer behavior is influenced by other external and internal

1 Kotler, Ph., Armstrong G., Principles of marketing, Editura Teora, 1998, București

2 <https://www.faculty.ksu.edu.sa>

3 <https://prezi.com/--d8punswa-v/influenta-culturii-asupra-comportamentului-economic-al-consumatorului>

factors such as cultural factors, social factors, personal factors, situational factors, psychological factors etc⁴.

Modern consumer behavior in Romania

The study of culture generally requires a detailed examination of the society; it encompasses all aspects of a society. The typology of consumers is increasingly differ more from one country to another, this is due to differences in culture, mentality, social differences.

Two important aspects influence the consumer behavior from Romania, becoming increasingly more evident in recent years:

- decrease incomes and the need to better control the way they use money
- growth of the present of the internet in everyday life of the active segment of the population and accentuated dynamic traffic information

Currently, the Internet has a penetration of 56.3% of the population over 15 years in urban areas soared to 63%⁵.

Also, the share of smartphones represent over 25% of all cell phones in Romania, which comes with conduct search and use the information more dynamic, more promptly⁶.

As a general view, consumers are becoming more demanding and harder to form loyal, it is in increasingly used to compare the offers of different retailers and to focus on the best possible price and quality. There are ever-present pattern of buying differentiated: people no longer go to buy everything in one place, but begin to choose different destinations for different products (for example, go to a particular retailer for detergent and cleaning products and other beer or groceries).

This behavior is supported by the continued expansion of modern retail in Romania, promotions being the main element associated with hypermarket or supermarket idea, each managed to establish itself in the collective mind through advantageous offers to certain categories of products.

Speaking of retailers, discounters stands sensitive growth with increased competition in the coming of Lidl concern on local market, consumers orientating itself towards this kind of retail especially when it comes to food and drinks (juice, coffee, beer, water).

4 Kotler, Ph., Armstrong G., Principles of marketing, Editura Teora, 1998, București

5 <http://www.internetworldstats.com/stats9.htm>

6 http://www.revista-piata.ro/Consumatorul_roman_si_comportamentul_lui_de_achizitie

INTERNET USERS IN THE EUROPEAN UNION - 2015					
<u>EUROPEAN UNION</u>	Population (2015 Est.)	Internet Users, 30-Nov-2015	Penetration (% Population)	Users % Table	FACEBOOK 15-Nov-2015
<u>Austria</u>	8,584,926	7,135,168	83.1 %	1.8 %	3,500,000
<u>Belgium</u>	11,258,434	9,569,669	85.0 %	2.4 %	5,900,000
<u>Bulgaria</u>	7,202,198	4,083,950	56.7 %	1.0 %	3,200,000
<u>Croatia</u>	4,225,316	3,167,838	75.0 %	0.8 %	1,800,000
<u>Cyprus</u>	847,008	804,306	95.0 %	0.2 %	590,000
<u>Czech Republic</u>	10,538,275	8,400,059	79.7 %	2.1 %	4,500,000
<u>Denmark</u>	5,659,715	5,432,760	96.0 %	1.3 %	3,500,000
<u>Estonia</u>	1,313,271	1,106,299	84.2 %	0.3 %	590,000
<u>Finland</u>	5,471,753	5,117,660	93.5 %	1.3 %	2,600,000
<u>France</u>	66,132,169	55,429,382	83.8 %	13.8 %	32,000,000
<u>Germany</u>	81,174,000	71,727,551	88.4 %	17.8 %	29,000,000
<u>Greece</u>	10,812,467	6,834,560	63.2 %	1.7 %	4,800,000
<u>Hungary</u>	9,849,000	7,498,044	76.1 %	1.9 %	5,100,000
<u>Ireland</u>	4,625,885	3,817,491	82.5 %	0.9 %	2,600,000
<u>Italy</u>	60,795,612	37,668,961	62.0 %	9.3 %	28,000,000
<u>Latvia</u>	1,986,096	1,628,854	82.0 %	0.4 %	650,000
<u>Lithuania</u>	2,921,262	2,399,678	82.1 %	0.6 %	1,400,000
<u>Luxembourg</u>	562,958	532,952	94.7 %	0.1 %	280,000
<u>Malta</u>	429,344	314,151	73.2 %	0.1 %	270,000
<u>Netherlands</u>	16,900,726	16,143,879	95.5 %	4.0 %	9,500,000
<u>Poland</u>	38,005,614	25,666,238	67.5 %	6.4 %	14,000,000
<u>Portugal</u>	10,374,822	7,015,519	67.6 %	1.7 %	5,600,000
<u>Romania</u>	19,861,408	11,178,477	56.3 %	2.8 %	8,100,000
<u>Slovakia</u>	5,421,349	4,507,849	83.1 %	1.1 %	2,300,000
<u>Slovenia</u>	2,062,874	1,501,039	72.8 %	0.4 %	850,000
<u>Spain</u>	46,439,864	35,705,960	76.9 %	8.9 %	22,000,000
<u>Sweden</u>	9,747,355	9,216,226	94.6 %	2.3 %	5,600,000
<u>United Kingdom</u>	64,767,115	59,333,154	91.6 %	14.7 %	38,000,000
<u>Total European Union</u>	507,970,816	402,937,674	79.3 %	100.0 %	236,230,000

Source: <http://www.internetworldstats.com/stats9.htm>

The undisputed leader in this market, Kaufland realized in 2014 a turnover of almost eight billion, 78% higher than the turnover achieved the runner-up. This amount of sales, Kaufland has achieved a net profit of 409 million lei (about 92 million euro), net profit is greater than the sum of net profits from all other networks in the Top 30 retailers⁷.

Another evidence that people are increasingly careful with their financial resources and they building new adaptive behaviors and saving is the increase registered in the last year of trade "from consumer to consumer" aspect visible by the success of sites like olx.ro, okazii.ro etc.

Statistics do not show major changes in the structure of expenses, for example - food products in 2007 had a share of 40% in spending Romans, and 2014 stands at 39%. But that value, monthly expenses have increased from 619 lei in 2007 to 884 lei person in 2014, so the amounts left in stores are larger⁸. After the shock of the crisis, when they dropped in favor of less important varieties strictly necessary and bought cheaper food, the Romanians are now more concerned about their health and are turning to healthier foods.

The trend towards a healthy lifestyle comes globally. Study Nielsen's Global Health & Wellness Survey shows growing concern for consumers to take charge of their health, 88% of respondents globally are even willing to pay more for foods with healthy properties⁹.

CONCLUSIONS

We could conclude that for the consumer goods are not talking about a waiver or restructuring of consumer behavior, but a repositioning strategy and buying patterns: people do not give up categories of products but build their routines of new purchase. They are more careful about how they use the money and looking for the best price / quality products you want.

In the context in which technology becomes omnipresence in business and digital consumer take control and change the rules of the game - both online and offline - and companies need to quickly align marketing and communications approach to remain relevant to consumer.

Follows also a window of opportunity for buyers loyalty, a chapter in which, unfortunately, retailers and even manufacturers do not have a well-defined strategy. People expect that brands and retailers to do something for them, to make them feel like an important part for the company. Greater emphasis on loyalty does not necessarily mean the replacement of

⁷http://www.revista-piata.ro/UPDATE_Top_30_retaileri_editia_2015_schimbari_spectaculoase_in_rezultate

⁸ <http://www.insse.ro>

⁹ <http://www.nielsen.com>

communication focused on price, which remains a strong argument for many buyers, but by doubling the advantages for loyalty.

The impact of demographic change is not insignificant at European level, there are much discussion about consumer behavior of those called so called "millennium consumers" - those born between 1980 and 2000 - digital natives, those who have considerably more technological dexterity than previous generations and that loyalty, creating buying experiences - are very relevant to them. Due to these issues and more the traditional trade continues to contract, at a rate of 2-3% per year¹⁰.

In the long term, we will move towards traditional stores that are specialized stores and about shopping online they tend to move the acquisition in this channel, for certain, as the channel earns in time more and more consumers.

In a few years, large stores will have to redefine strategies following more and more the trends of pretentious consumers.

References

- Kotler, Ph., Armstrong G., Principles of marketing, Editura Teora, 1998, București
 Pavel C, Negrut C, Bazele marketingului, Editura Eurobit, 2011, Timisoara
<https://www.faculty.ksu.edu.sa>
<http://www.insse.ro>
<http://www.internetworldstats.com>
<http://www.magazinulprogresiv.ro>
<http://www.nielsen.com>
<http://www.revista-iata.ro>
<http://www.revista-piata.ro>

NOTES ON THE AUTHORS

CIPRIAN PAVEL is lecturer at the Faculty of Management in Tourism and Commerce, Dimitrie Cantemir Christian University Timișoara. He holds a PhD. in Marketing since 2010, with a thesis entitled Contribuții cu privire la politica de comunicare în marketingul produselor și serviciilor bancare. He is author or coauthor of various books and articles: Politica de comunicare în marketingul produselor și serviciilor bancare, Editura Universității de Vest, Timișoara, 2013, Bazele marketingului, Editura Eurobit, Timișoara, 2011. He is a member in AGER and American Marketing Association.

FLOREA VLAD is Associate prof. at the Faculty of Management in Tourism and Commerce Timișoara, „Dimitrie Cantemir” Christian University. He holds a PhD. In Management with the thesis Management in the Logistics and Distribution of Oil Products. He is the author of numerous books and articles on management, the latest one being *Management strategic, metode de elaborare*, Eurostampa, 2010.

¹⁰ <http://www.magazinulprogresiv.ro/articole/consumatorul-piata-si-economia>