

Post Pandemic Buyer Behaviour

DOI: <https://doi.org/10.23874/amber/2023/v14/i1/220788>

Alina-Nicoleta BÎRSAN,^a Raluca-Elena GHINEA^b,
Robert-Andrei COSTACHE^c, Cristina STATE^d
^{a,b,c,d}Bucharest University of Economic Studies

ABSTRACT

Romanian economy has been, for almost two decades now, based on consumption. Thus, private consumption has become a vital element in supporting national economy and everyday life, with peaks and lows. Numerous studies have documented the Romanian consumer's behaviour and purchasing trends, concluding that Romanians are more than just customers, rather "patients". Big retail chains have become "the main cause" for their illness, called consumerism. Before the pandemic, Romanian customers chose to acquire goods that they did not need, just because they were trending or because it brought them a boost of image within their social group. On the other hand, from the point of view of sales targets and other economic indicators, that retailers use to build their strategies upon, it can be understood how this "disease" is increasing, transforming consumerism into a real national (with international reach) pandemic. The profit of large retail companies has shown that in peace time (without war, cataclysms, or other adverse events), retail companies know how to manage their business and, above all, understand how to influence buyer behaviour. Under Covid pandemic threats potential customers' access to physical premises had been restricted, therefore retail companies swiftly adapted to the Governmentally influenced change of buying patterns by increasing online accessibility. We have investigated through a quantitative analysis how pandemic procurement and consumption trends varied under these circumstances. Our research showed results that we

found easy to predict, but difficult to explain from an economic point of view, mainly due to the psychological impact external factors played in general economy.

Keywords: buying behaviour, consumerism, consumer behaviour, pandemic buying habits

1. Introduction

Romanians, like other citizens around the world, love to shop for various reasons. Whether we are talking about needs, desires or simply the purchase of a particular product or service for image enhancement, retail chain customers have created a true consumer culture (Tasene & Ciacu, 2010). However, it would be wrong to say that only buyers are to blame for this consumer centric culture. An important role was played by retail chains that put up more and more attractive offers, generating true consumer habits for their customers. We can often wonder how it got here, and possible answers are quite grim. Both Romanians and people all over the world have little to no education in terms of personal finances, consumption and consumption habits that they can assess on their own. In the absence of this knowledge, retailers take advantage and develop authentic customer experiences to successfully implement sales strategies both in times of peace and crisis. As can be seen in Figure no. 1, we can observe the trend of Romanian consumerism and we can deduce, from the investments made, how retailers responded to the situation generated by the pandemic.

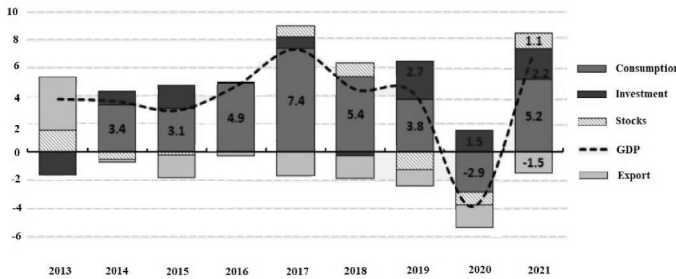


Figure 1. The retailing situation in Romania in the period 2013-2021

Source: Calculations based on CNSP (NIS, 2021)

2013 was the last year of Romanian economic crisis, and this cannot be considered in our analysis, 2014 showing an increase in people’s purchase of goods and services recorded consumption. Although consumption was high, investments were small. The same thing happened in 2015 when people continued to buy, even if less, but this time retailers begun investing more in their businesses. Another important thing to consider, implemented by retailers and highly appreciated by customers, are “Black Friday” programs inspired by US retailing strategies. The investments made and the implementation of “Black Friday” discounts can be observed in 2016 when sales increased by 1.8%. However, 2016 was not marked by investments, and retailers ` sold only their existing stocks. This has minimised stock associated costs, and the results of 2015 investments were felt only in 2017.

Retailers invested mainly in opening new stores and migrating businesses in online where the number of potential customers was exponentially growing. This was seen in 2017 when the number of customers increased by 2.5%, growth not being based on investments, but rather on the introduction of “buy more, pay less” programs”. The period 2015-2018 recorded higher consumption than the average. This was mainly because retailers developed consumer habits for their customers. According to the analysis carried out by a marketing agency ([https://ro.2performant.com / ?gclid=CjwKCAjwzaSLBhBJEiwAJSRokuovacpo2HB735kL7dBlui9ebtBLkYS7pS58t_WOyXeOjMDXS4p-AxoCRjMQAvD_BwE](https://ro.2performant.com/?gclid=CjwKCAjwzaSLBhBJEiwAJSRokuovacpo2HB735kL7dBlui9ebtBLkYS7pS58t_WOyXeOjMDXS4p-AxoCRjMQAvD_BwE)) Romanians bought more during holidays, spring and autumn seasons and little during summer. The main reason was that Romanians are away on vacation during

summer. We have paid particular interest to 2019-2021 period. In 2020 the crisis generated by the pandemic began to make its presence felt, especially at the end of the year, beginning of 2021. Retailers have felt this and chose to invest a record amount compared to previous years to be sure that the global situation does not affect their business. The year 2020 and the political decisions by which people had to be quarantined gave them the needed boost. Although they expected changes in buying patterns, stimuli, and quantity, they did not expect many of the stores to remain closed due to lack of access and inability to physically attract them on their premises. This was the moment when retailers migrated their activity to online and turned to the psychological side of the Romanian consumers. According to financial information provided by a business platform (<https://www.startupcafe.ro/marketing/cumparaturi-online-romania-magazin.htm>) Romanians, in 2021, bought from online stores up to 5.6 billion euros, 30% more than they purchased online in 2020. If we analyse this in depth, we can deduce that Romanians spent more than 15 million euros every day on shopping through e-commerce, which means an increase of 3 million euros every day compared to 2019. And in Figure 2 we can see the structure of monthly expenditures in Romanian households, underlining the fact that most of the monthly budget was spent on food products 34.6% and alcoholic beverages and tobacco 8.5%.

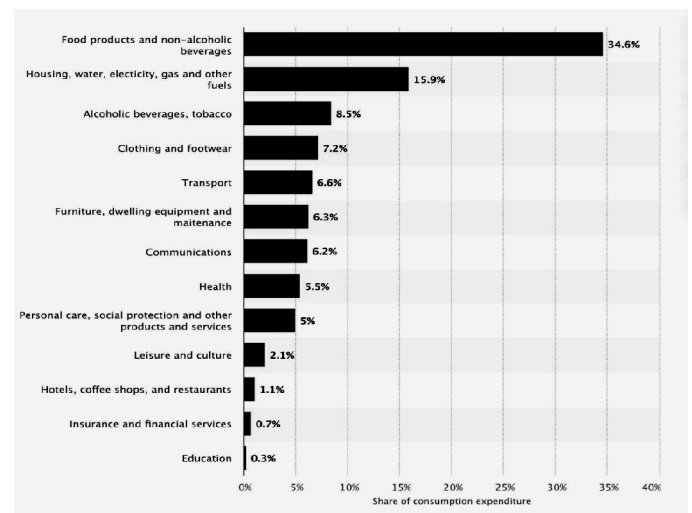


Figure 2. Distribution of monthly consumption expenditure in Romanian households in 2020, by type of expenditure

Source: statista.com (2021)

This can be explained from a psychological point of view. If during periods of peace Romanians spent most of their free time outside their homes and had different activities that involved mobility, restricting their freedom to travel and imposing quarantine measures increased their level of stress. Every time humans are stressed; they tend to be attracted to things that produce serotonin. Among the most common serotonin producing activities modern humans can easily access are shopping and eating sugar rich foods (Sheth, 2020; Hall et al., 2020). Basically, natural stimulated consumption, on psychological foundations, looked like in Figure no. 3:

retailers, etc.) and pure impulses (those impulses that are triggered by the need for serotonin). All this had a total impact on how people bought and consumed until the pandemic. To these a very important factor was added, respectively "fear" and change became inevitable.

As a result of these chaotic decisions and the fear induced to population, large retailers have taken advantage of the opportunities and placed their bets on e-commerce. They have developed catchy, user-friendly websites that catch your attention and, eventually, your wallet. Thus, the consumer of a product has also become the user of a platform. In addition to the money earned by the retailer through the sale of goods, it earned quite a large income based on the conversions of visitors to the website (Roggeveen & Sethuraman, 2020; Mead et al, 2020). We are wondering how great is the impact of switching from physical to online? How ethical or unethical are retailers and how well have they achieved their economic and strategic goals? To be able to answer these questions, we must go back to the target researched group and see what has changed in their consumption habits and, at the end of the analysis, conclude if we can create a pandemic model.

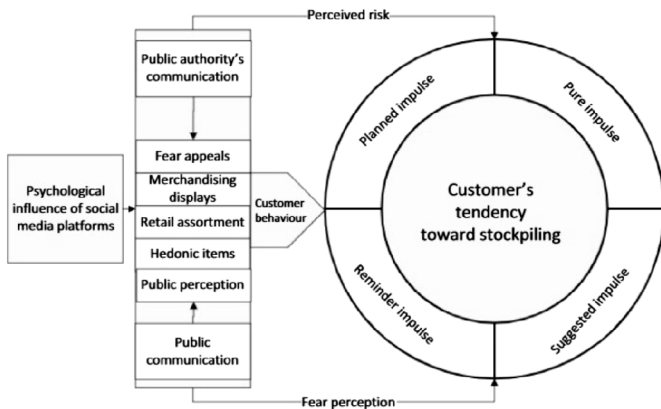


Figure 3. Customer psychology of impulse buying

Source: Processing after Naeem (2020)

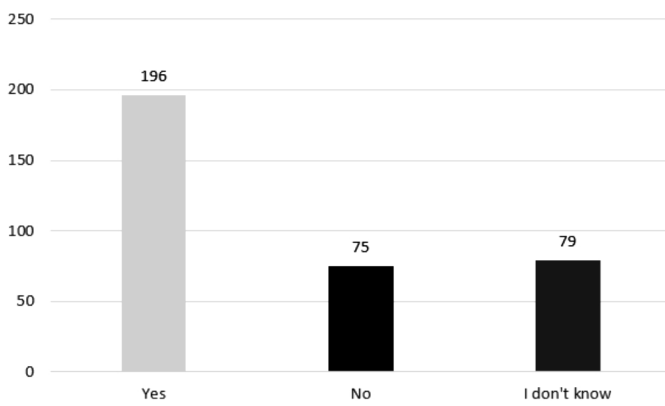
Basically, retailers didn't just move to the online environment to allow people to shop even when physical stores were closed. They developed new consumption habits by appealing on one hand to what the internet could offer them (hosting a website, digital marketing platforms, marketplaces), and on the other hand to social media platforms. Thus, as we can see in Figure no. 3, people began to stock up on food and care and hygiene products (basic products), but they also began to buy just for the pleasure of buying, to release serotonin into their body. The impetus for such purchases came from four directions: suggested impulses (their psyche influenced by advertisements on social networks), planned impulses (made by the Government based on announcements on the extension of alertness), reminder impulses (driven by false need for a product/service, assortments put on sale by

1. METHODOLOGY

The study carried out by us is based on quantitative research, where the questionnaire was used as a basic tool, which was carried out with through Isondaje.ro. The questionnaire was addressed to a number of 350 respondents, during a period of 3 months, between May and August 2021, remaining open to update our research for a time span of 12 months after the pandemic is considered ended, targeting more than 1000 respondents. The study respondents comprise 60% female and 40% male, with an average age of 32.1 years.

It can be seen from Figure 4 that people perceive a change in their consumption habits. The number of people who chose the 'No' option and the 'I don't know' option of the possible answers are approximately equal, while the number of those who chose the "yes"

option is indisputably majoritarian. People’s consumption habits have changed according to several variables. Main drivers of change in buying habits are retailers themselves who have chosen aggressive strategies to attract customers in a period when they hoped to at least obtain a level of profit that would allow them not to close their businesses, put staff on unemployment and to continue their activity, fighting challenges. On the other hand, another variable that acted towards changing consumption habits, is represented by the State and its politics.



The State, through its institutions, unfortunately rather managed fear itself than finding and implementing solutions for crisis resilience. This influenced people’s buying habits and, out of fear of not having access to basic food needs, to stock up and excessively order online. Another important factor that led to changes in population’s consumption habits was the always underestimated psychological dimension. People, whenever they feel stressed, tend to do activities that distress them and release serotonin into their body. Since people had nothing to do during this period, they chose to eat and purchase more. If before the pandemic there was a buying frequency that recorded increases during holidays (large volumes of purchased stocks), and during the rest of time there were occasional purchases, in small quantities, during the pandemic the frequency of purchases disappeared, purchases being recorded all the time, and in increased quantities. Basically, people bought much larger quantities than they actually needed.

Another aspect that we touched through our survey referred to where they were buying from. Thus, we conducted the analysis over two years of comparison: 2019 (year without pandemic) and 2020 (year with pandemic), and the results are at least interesting and can be seen in Figures 5 and 6.

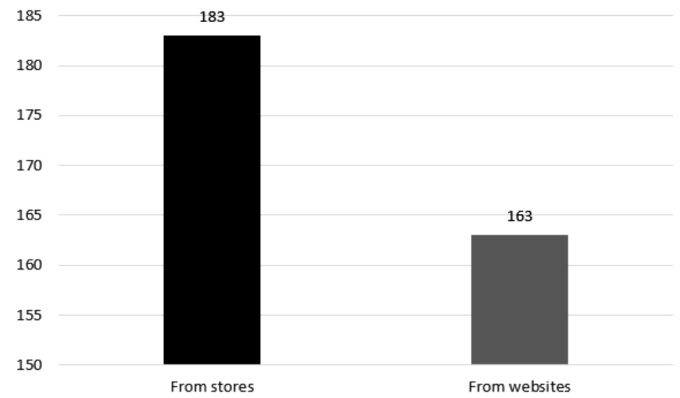


Figure 5. How do you preferred to buy products in 2019

Source: Processed by authors through Isondaje (<http://www.isondaje.ro/sondaj/848703609/>)

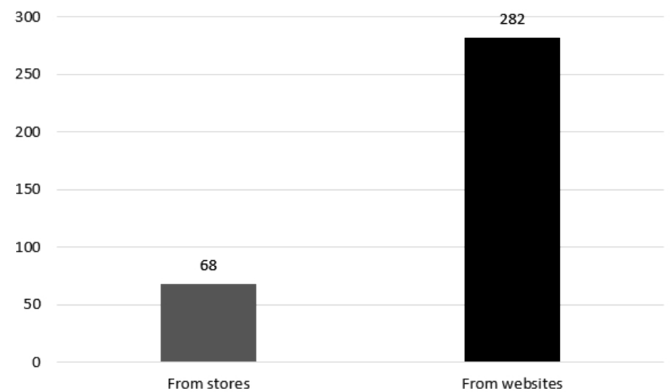


Figure 6. How do you preferred to buy products in 2020

Source: Processed by authors through Isondaje (<http://www.isondaje.ro/sondaj/848703609/>)

Results were very interesting. Looking at the chart corresponding to 2019, we found that people were buying more from brick-and-mortar stores than online, and we found three possible explanations. Firstly, most of those who bought wanted to see the product for themselves before purchasing it; it is a known that most Romanians are a little reluctant when it comes to using technology and online purchases. Secondly, Romanians used to purchase a most of their essential and non-

essential products during weekends or late evenings, after work. Therefore, on the way home, they would stop at a clothing store to try on and buy some immediately needed item, or they would simply stop at some grocery store to fill in their fridge. Thirdly, back in 2019 there were no mobility restrictions, so people preferred to walk, spend more time outside or in shopping malls than at home, having a different buying impulse (suggested or reminder impulses).

The situation drastically changed in 2020, when the pandemic hit humanity. On one hand, the number of brick-and-mortar stores had decreased considerably as a result of population movement restrictions, thus becoming a source of financial losses, rather than gains. As a result, the majority of potential customers chose to purchase goods or services remotely, thus increasing online sales with 30% if compared to previous year. This was forced to happen. People reluctant or who preferred to go to stores, had to access their preferred retailer's website and buy what suited their needs. But, people not only bought strictly necessary goods but also things that by purchasing felt a little moment of happiness in uncertain and anxious times, thus, finding the so much desired serotonin.

Moreover, a large part of the purchases made during the pandemic are from the HoReCa sector, especially from restaurants and cafes. Thus, people wanted to eat and taste the same foods or drinks, juices or coffees, from the restaurants they used to like to feel a sense or "normality", even during pandemic times. Thus, services such as FoodPanda, Glovo, Takeaway, Uber Eats, Bolt Food and many others like them, have been quite successful, their customers coming through their mobile applications or websites. Practically, all companies that moved or diversified their business online during pandemic and lockdown period, recorded income from two directions: both from the revenue obtained through the sale of goods or services, and the revenue obtained from traffic on those platforms as a derivate from traffic generated by people visiting their platforms.

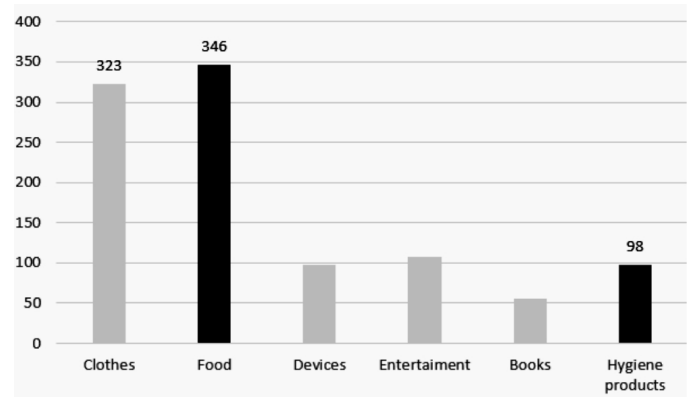


Figure 7. What did you bought often in 2019 Source: Processed by authors through Isondaje (<http://www.isondaje.ro/sondaj/848703609/>)

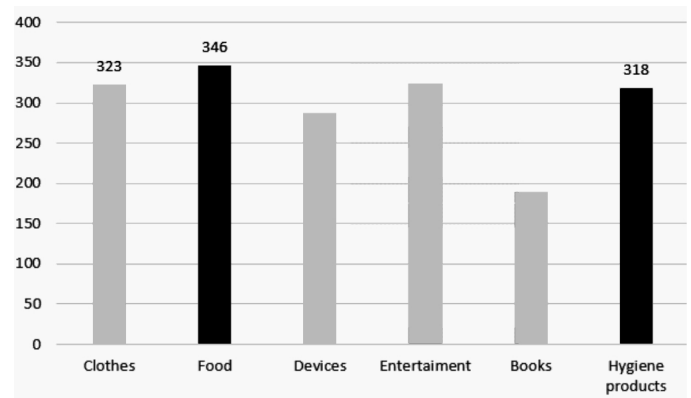


Figure 8. What did you bought often in 2020

Source: Processed by authors through Isondaje (<http://www.isondaje.ro/sondaj/848703609/>)

The year 2019 is a synthesis of the consumption habits of Romanians over a very longer period of time. We can note that among consumers' preferences were clothes and food, which was not surprising. If in the case of food products, we can understand the reason. Looking at the opposite pole, to the products with the lowest frequency, we can observe four categories: books, hygiene products, electronic devices and entertainment (video Games, tickets to various cultural events, etc.). What the pandemic and the aggressiveness of retailers did was to enhance all categories simultaneously through aggressive strategies. Thus, if in 2019 categories such as books, electronic devices, hygiene and entertainment were rarely bought by customers in comparison to other categories, 2020

meant an increase in the number of all purchased items. For hygiene products we can explain the increase as a result of the people’s fear of contagiousness and the desire to disinfect and protect themselves from viruses. The acquisition of products such as those in the category of electronic devices, though, provided availability to people to get in touch with other people, but also with retailers, basically to communicate, social and entire life moving online. Simultaneously, large retailers chose to put up promotions to different devices from the debut of the pandemic to prepare potential customers to gain accessibility from the comfort of their own home, mobility being restricted, so that they can purchase anything, any time (Ozlem, 2019).

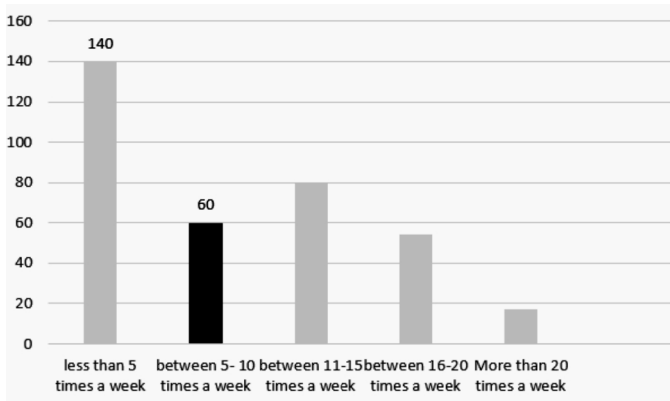


Figure 9. What was the frequency with which you bought products in 2019

Source: Processed by authors through Isondaje (<http://www.isondaje.ro/sondaj/848703609/>)

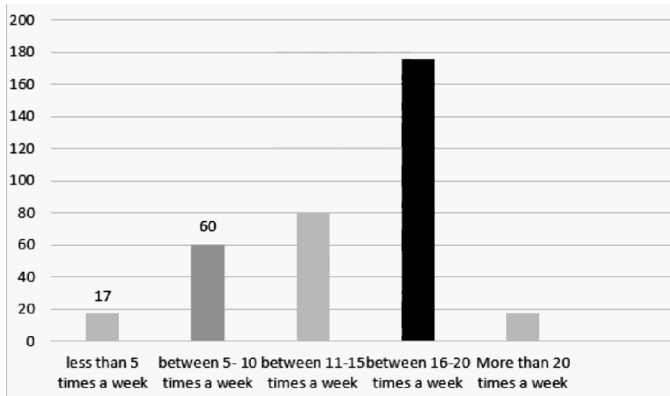


Figure 10. What was the frequency with which you bought products in 2020

Source: Processed by authors through Isondaje (<http://www.isondaje.ro/sondaj/848703609/>)

If the value and number of the stock changed between 2019 and 2020, so did the frequency with which people bought? At the beginning of our analysis, we started from the hypothesis that people have changed not only their consumption habits in terms of type of acquired products, quantity and value, but have also changed their buying frequency. Thus, within Figure 9 and 10 we can see how much their buying frequency has changed.

Most businesses had potential for innovation, but many of them chose to operate physically and without large investments because managers were satisfied with the registered levels of profit. People bought as much as they needed, as many times as they needed. Thus, we can observe that in 2019 people purchased certain things less than 5 times a week, sometimes 11-15 times, depending on the events of that week. Pandemic 2020, though, totally changed this rhythm. People who previously bought things less than 5 times a week, began to purchase between 16-20 times a week. This meant more consumption, more money spent on goods and services and, in theory, higher revenues for retailers. In Romania, one of the major online retail platforms is Emag. According to an analysis carried out by an economic profile publication (<https://www.google.com/search?client=firefox-b-d&q=google+translate>), Emag recorded a 52% increase in sales revenue during 2020 in comparison to 2019. These revenues were obtained exclusively from the sale of goods, with additional ones obtained from the website paid traffic, by no means negligible.

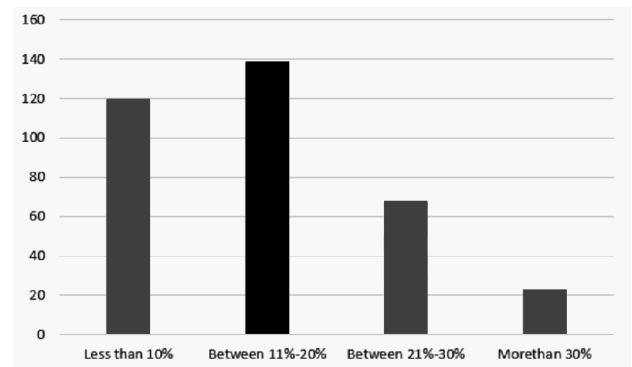


Figure 11. What was the percentage of the salary intended for the purchases of the necessary products in 2019

Source: Processed by authors through Isondaje (<http://www.isondaje.ro/sondaj/848703609/>)

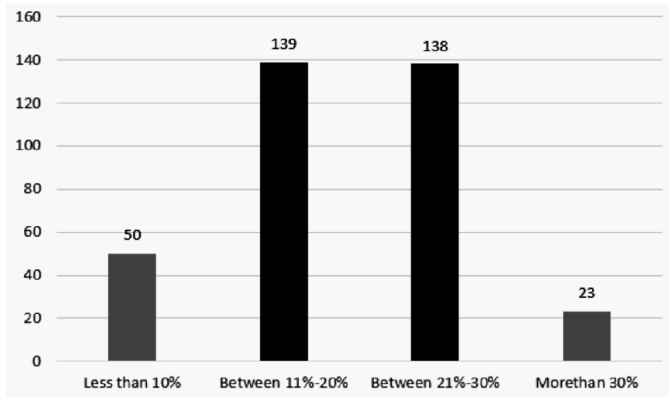


Figure 12. What is the percentage of the salary intended for the purchases of the necessary products in 2020

Source: Processed by authors through Isondaje (<http://www.isondaje.ro/sondaj/848703609/>)

We have noticed in previous charts that retailers have obtained extra income in multiple ways, while people, in return, received in addition to products and services, artificial happiness generated by their purchase. Considering that neither the average nor the minimum wage has increased in Romania, it is very important to observe how much people have spent on essential and non-essential products in the period 2019-2020.

When we talk about essential products, we talk about food. Since it is important to include in this category all types of purchased foods, we can state that the necessary (essential) products are all food. Now that we have defined what those essential products are from our point of view, we can see that people spent, in the period before the crisis, a maximum of 20% of their salary for such products. This percentage is represented by the majority of those who answered the questionnaire. We can also see people spending more on essential products, and this can be explained by variables such as the number of family members. The larger their number, the greater the number of those who purchase even more than 30% of the salary.

The year 2020 totally changed these habits. People no longer spent less than 10% of their salary on essential products. To meet their needs and for the release of serotonin, people began to spend more, even if their financial level remained the same. Thus, we can see that people spent either between 11- 20%

of the salary, or 21-30%. These two variants were chosen because they are the majority in the study for 2020. In other words, people began to spend more on essential products than before, developing stocks of products and increasing their serotonin levels in order to get through the pandemic period.

1. Conclusion

The situation in Romania is not much different from the situation in other states, be they European, included or not in the European Union. Although our cultures are different, consumption habits are broadly the same, and crisis situations can amplify, diminish or totally change behaviours.

From the consumer point of view, the pandemic produced a significant change in consumption habits, both in terms of frequency of purchase, place of acquisition, quantity, but also in the

amount spent on a specific category of goods or services. Stimulated by the psychological factors, political decisions, but also by big retailers' marketing and sales strategies, consumers began to spend a lot of money on products that they did not necessarily need, online, at irregular intervals. Basically, the pandemic has not only changed everyday life in general, but it has also changed the way Romanians buy most of things, and this has impoverished them even more as they acted on impulse to obtain a fleeting moment of happiness in a troubled time.

As for retailers, the situation has been exactly the opposite. Even if one can see many stores being permanently closed due to pandemic challenges, retailers by migrating online managed to keep their effect on customers and potential customers and double their revenues. But this strategic move (in cases such as Emag, as we have seen) was also backed up by revenues from online traffic on their platforms. We can conclude that, due to Romanian consumer's resistance to using technology, retailers have done more than just offer products and services. They went the extra mile and helped regular people understand technology at a decent level and use it to generate

even greater income for them. In other words, retailers have trained their target group of customers and potential customers to generate income through their purchases.

If before the pandemic we were talking about a cyclicity of sales, when the volumes and quantities were very high, and the revenues accordingly only during those periods, in the pandemic we could no longer talk about cyclicity. Romanians bought a lot in terms of the money spent, a lot in terms of purchased quantity and at small intervals of time. Thus, during the pandemic, though retailers got much higher revenues than in normal times (peace time), people got poorer, in exchange of short term, little happiness.

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