

## Effects of the New Coronavirus Pandemic in Romania: Changes in Buying and Consumer Behavior

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### Abstract

*Marketing theory and practice demonstrate that the success of a business is conditioned by the correct identification and even anticipation of consumer needs and motivations, as basic elements of buying and consumer behavior. Understanding consumer behavior is an ongoing concern, but it is never simple or easy to achieve. Practice shows that companies can face, at certain times, changes in consumer buying behavior, without them having any intervention. These changes can represent opportunities or real threats to their work. This paper contains a theoretical component, which emphasizes the importance of knowing consumer behavior in order to ensure the success of any activity, and a practical component. The case study presented is a recent example of changing consumer behavior, generated by the new Coronavirus pandemic, and the effect materialized in increasing sales, without any marketing effort from the analyzed company.*

**Key words:** Coronavirus pandemic, behavior change, economic and social effects

**J.E.L. classification:** M30, M31, A14

### 1. Introduction

Consumer behavior is a concept often found in papers from various scientific fields, such as: economics, marketing, social psychology, sociology, anthropology, systems theory. The growing interest of theorists, but especially of practitioners from the entire economic and social activity, for knowing and understanding consumer behavior can be explained by the main elements of market economy, namely the customers / consumers and the exchange of goods (material and / or intangible), as a way of satisfying needs.

Accepted by theorists as an interdisciplinary, multidimensional concept, consumer behavior reflects the overall vision of the totality / multitude of decisions taken at individual or group level, in terms of obtaining and / or using products / services so as to meet current or future needs and desires (Florescu *et al*, 2003, p.154).

In this context, it can be deduced that the interest shown for the concept of consumer behavior is related to the impact upon the organization and management decisions of any activity, in a competitive economy, in which each bidder/offerer seeks to obtain maximum value / satisfaction through the exchange process.

### 2. Theoretical background

In this study, the entire theoretical and practical approach refers to consumer buying behavior, a concept which, in marketing literature, refers to the final consumer, represented by individuals and households seeking to purchase products and services in order to meet personal needs / desires, in other words to satisfy the final consumption (Kotler and Armstrong, 2015).

Economic theory presents the needs of the individual as unlimited, on the one hand, while the resources available to him/her are limited, which is why the exchange process (purchase) of goods attracts a multitude of decisions. The analysis becomes much more complex if we pay attention to the economic concept of "market", seen as the sum of individuals, the acts of exchange made by

them, but also the factors which determine them to make choices and decisions to buy. There are specialists who draw our attention to the fact that "The market is not a person, a thing or an object. The market is a process of coordinating plans between sellers and buyers" (Heyne *et al*, 2016, p.132).

In marketing theory and practice, researching consumer buying behavior seeks to find answers to questions such as what he/she buys, from where and how he/she buys, as well as when he/she buys. Marketing research methods contribute to obtaining real and objective information for the quantitative elements related to the mentioned aspects (what, how, how much, from where and when the consumer buys). The situation is completely different when the research aims to identify why the consumer buys a certain product / service / brand. Professor Kotler considers that the answers to the question "why" he/she buys are "hidden in the mind of the consumer" and ... "it is difficult to see into the mind of the consumer". Furthermore, the specialist adds that "Often, consumers themselves do not know exactly what influences their purchases" (Kotler and Armstrong, 2015, p. 137).

There are opinions of specialists who consider that motive and motivation are the concepts which can explain the mechanism of manifestation on the market of some aspects of consumer behavior. Professor Datculescu considers that "motivation (representing all the motives) is the force which propels any behavior" (Datculescu, 2006, p.53), and Professor Teodorescu points out that motivation is an "inner state which mobilizes an organism, in order to achieve a goal" (Teodorescu, 2003, p.156).

In marketing theory there is the approach that at the basis of the motives are the needs of the individuals. An individual has a multitude of needs permanently, some being of a biological / physiological nature, and others being of a psychological nature (Kotler and Armstrong, 2015, p. 137). It is considered that a need turns into motivation when it reaches a certain level of intensity or that motivation appears when the need is sufficiently imperative to determine the individual to act to satisfy that need. Consumer interpretive research is already a technique used by marketing specialists to decipher the psychic mechanism of the consumer, so that they can design marketing strategies appropriate to the pursued objectives (Teodorescu, 2003).

The theories of two psychologists, Sigmund Freud and Abraham Maslow, formulated a long time ago, are often encountered at present in the marketing research of consumer buying behavior. Sigmund Freud's theory draws attention to the fact that individual buying decisions are determined by subconscious motivations, unknown to or not understood by the buyer himself/herself.

Abraham Maslow tried to explain consumer behavior by a hierarchy of needs presented as a pyramid, structured on five levels, expressing five main categories of needs. Viewed from the bottom to the top of the pyramid, these are: (1) fundamental / physiological needs, (2) needs related to personal safety / security, (3) social / belonging needs, (4) the need for social recognition / self-esteem / self-confidence / status and (5) the need for personal development / self-affirmation (Kotler *et al*, 2010). It is interesting that Maslow, as a psychologist, has an approach in common with that of the economists, in the sense that he also believes that motivations are at the origin of human actions, and motivations are in their turn influenced by needs. At the same time, we must emphasize that motivation is not the only explanation behind the processes associated with consumer behavior.

In his work, Marketing Management (Kotler and Keller, 2008), Professor Kotler draws attention to the approach, in cyber language, of consumer behavior, describing it as a system, based on inputs, processing and outputs. A multitude of aspects can act as inputs of the consumer behavior system, of which we note the following: economic situation / context, quality, price, utility, possibility of choice, association, or replacement of a product / service / brand. Certain channels (represented by promotional actions, accumulated knowledge, personal observations, acquired experiences) ensure the penetration of these inputs into the black box (this being the mind, the psyche of the consumer), where complex psychological processes take place, and their results are the outputs of the system, materialized in consumers' actions, namely the decision to buy, reject or postpone the purchase of a product.

In another, more recent paper, Professor Kotler presents the stimulus response model of consumer behavior. This time, he emphasizes that "marketing and other stimuli" are "inputs" into the "black box of the buyer" and generate certain "outputs" in the form of consumer reactions

(Kotler and Armstrong, 2015). Among the marketing stimuli, the elements of the marketing mix, respectively product, price, placement and promotion, are mentioned, and from the category of other stimuli, forces and events of economic, technological, social and cultural nature are mentioned, seen as major components of the purchasing environment.

The concern of marketing specialists is aimed at understanding what is happening inside the black box, specifically deciphering how stimuli turn into responses. In the new model, proposed by Professor Kotler, the buyer's black box consists of two components. The first component is represented by the characteristics of the buyer, which are responsible for the way the consumer perceives and responds to stimuli. The second component of the black box is the buyer's decision-making process, which is considered to affect behavior. The outputs of the black box are the consumer's answers, manifested as attitudes and shopping preferences, as aspects of buying behavior (what, how much, how, from where he/she buys), but also as trends manifested in brand or company relationship behavior (Kotler and Armstrong, 2015, p.137).

### **3. Research methodology**

In the elaboration of the present study we have carried out an in-office marketing research, of qualitative type, in which we have collected secondary information from the national and international specialized literature and have analyzed different points of view expressed by recognized specialists regarding the content of the purchase behavior concept and the importance of the latter's research to the practical marketing activity of companies.

We have also conducted a quantitative research, based on the evolution of the values of the sales volume indicator (expressed in value and physical units) for five assortment ranges of products needed to perform physical activities. The sales volume indicator is often used in marketing research to determine the actual size of the market, resulting from the confrontation of supply and demand at a given time and its materialization in sales-purchase documents. (Florescu, 1992). Also, the dynamic analysis of the sales volume indicator allows highlighting the trends registered on a certain market or for a certain product in response to the change in consumer behavior generated by internal or external factors.

### **4. Data, results and discussion**

In the theoretical approach to consumer behavior, in the first part of this study, we have shown that, in marketing research, the aim is to find answers to questions such as what consumers choose / buy, from where, how, how much, when and, very importantly, why they buy. The correct identification of the answers to these questions requires, however, significant efforts on the part of companies, which means that they will invest both in human resources (marketing specialists) and in marketing actions. The entire effort to know consumer behavior aims to ensure maximizing consumer's satisfaction (both economically and psychologically), as well as maximizing the company's results (increasing sales, profit, market share, but also expanding the image and brand of the company).

The case study draws attention to a situation which we can consider an exception to the theoretical aspects presented above, in the sense that a company has faced a significant increase, perhaps unexpected, difficult to anticipate, of the volume of sales, in a short period of time, given that it did not make any marketing effort to influence / modify consumer behavior.

The new Coronavirus pandemic (recognized by the World Health Organization on March 11, 2020) has disrupted the economic and social situation in most countries of the world. The first cases of Coronavirus in Romania were confirmed on February 26, 2020 (Chitu, 2020).

The main perception, at that time, was of the danger to the health of the population. Mass media kept bringing to the attention of the Romanian population the rapid changes, in different states, regarding the evolution of the number of infected persons and the economic, social and security measures taken by those states. Changes in the behavior of the Romanian consumer were starting to emerge, without any company, from any field of activity, having made any marketing effort.

The first change in consumer behavior was the increase in sales of many food groups, especially non-perishable ones, with a long shelf life. Let us specify that food meets our primary needs, without which we cannot survive. Then, other groups of products (medicines, personal care products, masks, gloves, but also tablet computers, laptops, personal computers) began to record significant increases in sales volume. The new Coronavirus pandemic has brought to light an aspect of consumer behavior, perhaps ignored by most marketing analyses, namely fear. Increasingly, in the behavior manifested by the consumer it could be observed that, one by one, the theoretical aspects became obsolete.

Thus, the purchasing decision was no longer based on the real needs, desires, motivations of the consumer, but on the fear of not finding the products (due to interrupted production, stopped imports, impediments to supply, etc.) in a future period, not knowing how long it might be. Buyers were starting to buy more and more, from anywhere, without paying attention to issues related to brand, price, quality (aspects which, before the pandemic, significantly influenced consumer behavior). Then, changes in economic and social activity led to the change in the work style (telework), to the reduction in the activity volume or even to the loss of jobs. All these were reflected in the decline in consumers' income. Practice has shown that the economic law of consumption has been refuted by the actual behavior of the consumer (in the sense that the reduction in income has not led to a decline in sales).

The news regarding the measures taken in different states regarding the restriction of the freedom of movement of persons started to attract the attention of the Romanian consumers, and the probability of implementing such restrictions was becoming more and more evident in Romania, as well. These issues have generated other changes in buying behavior. The first restrictive measures, in Romania, regarding the reorganization of some activities and the movement of persons, were established by Decision no. 6 of the National Committee for Special Emergency Situations. The declaration of the state of emergency, starting with March 16, 2020, for 30 days, followed by an extension (established on April 15, 2020) for another 30 days, represented, for many consumer segments, severe traffic restrictions (NCSES/ CNSSU,2020 and Romanian Presidency, 2020)

This security measure for the health of the population represented, at the same time, a potential danger also for the health of the population, due to the lack of the possibility to exercise physically. The closure of fitness centers, gyms, limiting the movement / circulation of the population, the warning to stay as long as possible inside the house in order to avoid the contamination with the new Coronavirus led to other unexpected changes in consumer behavior. In this context, there was a large and unexpected increase in sales volume for the ranges of products used for physical activity at home.

The case study conducted is an example of a change in consumer behavior which appeared as an effect of the pandemic with the new Coronavirus in Romania.

*Table no.1. Comparative analysis of the evolution of sports equipment sales in March 2018, 2019 and 2020*

Assortment range of products	Analyzed period 01- 31 March 2018		Analyzed period 01- 31 March 2019		Analyzed period 01-22 March 2020	
	Indicators		Indicators		Indicators	
	Value volume of sales	Total physical volume of sales	Value volume of sales	Total physical volume of sales	Value volume of sales	Total physical volume of sales
1. Body-Building	2997/day	1825	3882/day +885/18 +29,53%	2718 +893/18 +49%	7119/day +3237/19 +83,4% +4122/18 +137,5%	2970 +252/19 +9,27% 1145/18 +62,7%

2. Cross-Training	453/ day	293	960/day +507/18 +112%	545 +252/18 +86%	2227/day +1267/19 +132% +1774/18 +392%	943 +398/19 +73% +650/18 +221,8%
3. Cardio equipment	200/ day	290	1954/day +1754/18 +877%	345 +55/18 +19%	5126/day +3172/19 +162,3% +4926/18 +2463%	443 +98/19 +28,4% +153/18 +52.7%
4. Pilates equipment	1357/ day	1320	1786/day + 31,6%	135 -1184/18 -89,7%	3949/day +2163/19 +121% +2592/18 +191%	2427 +2292/19 +1698% +1107/18 +83,86%
5. Yoga equipment	445/ day	301	402/day -43/18 -9.45%	245 -56/18 -18,6%	701/day +299/19 +74,37% +256/18 +56,26%	286 +41/19 +16,7% -15/18 -3,37%
Total sales volume	204.678		253.135 +48.457/18 +23,67%		365.035 +111900/19 +44,2% +160357/18 +78,35%	

Source: The internal records of a sports equipment retailer

The data presented in Table no. 1 refer to the sales volume, in physical and value expression, by assortment ranges of products, registered at the level of a retail store, specialized in sports equipment. Also presented in the table are the increases in the indicator of the physical volume and value of sales, recorded in 2020, compared to 2019 and 2018, expressed in absolute value and in percentages.

In order to verify whether the period of the pandemic has represented a factor in the modification of the buying behavior, we have selected for analysis the evolution of this indicator only in the month of March, from three consecutive years.

Thus, the total value volume of sports equipment sales was 204,678 units in March 2018, 253,135 units in March 2019 and 365,035 units for a period of 22 days in March 2020 (the date on which the store was closed). The purchase of sports equipment was higher in March 2019, compared to the same period in 2018, with 48,457 units, which represents an increase of 23.67%. In the 22 days of activity in March 2020, the sales volume was higher by 111,900 units, respectively by 44.21%, compared to the one recorded throughout March 2019 and by 160,357 units, or 78.35% higher, compared to the level recorded throughout March 2018. It is more relevant to analyze the evolution of the average daily incoming order indicator, which was 6,602 units in March 2018, 8,165.6 units in March 2019 and 16,592.5 units in March 2020. It can be seen that in 2019 the average daily incoming order was almost 1.24 times higher than in 2018, and in 2020 the average daily incoming order was 1.78 times higher than in March 2018 and 1.44 times higher than in 2019.

If we analyze the sales volume in physical units, it can be said that the increase trend has manifested in all product ranges, but in different amounts. However, the range of Yoga equipment products is noticeable, with smaller increases in the number of products sold, compared to the other ranges presented in Table no.1. One explanation could be that those who purchased equipment focused on products used in activities that require more movement, such as: tread mill, bicycle, trampoline, set of dumbbells, elastic bands, basket / basketball board, tennis table and other apparatuses for various types of physical exercise. These products are part of the other 4 assortment ranges presented in the table.

## 5. Conclusions

The evolution of humankind determines the permanent change (conscious or unconscious, willing or not, with or without effort) in consumer behavior. The traits, characteristics, lifestyle and work style of consumers are constantly changing.

Marketing practitioners will never abandon the concern to decipher and understand consumer behavior, because they are aware that only in this way will they be able to effectively organize the marketing activity within the company and provide maximum consumer satisfaction.

Knowing the trends in the evolution of the environment, designing the most appropriate combinations of elements of the marketing mix are the most representative actions of a company to determine the manifestation of reactions in the consumers, materialized in the formation of the buying decision.

The emergence of contextual situations capable of causing changes in consumer behavior may be exploited as opportunities by some companies (as exemplified in this study), but will not replace marketing concerns related to understanding how consumers manifest, as a starting point in making decisions related to marketing management.

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