

Changes and Trends in Consumers' Behaviour and Online Purchasing: a Post-COVID-19 Analysis

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Abstract

This paper examines changes in consumer behavior in the post-pandemic era, as reflected in e-commerce statistics, with the aim of predicting future trends that will help companies manage their online businesses.

The dramatic impact that the global SARS-CoV-2 pandemic, which brought restrictions in terms of social distancing, affected people in many aspects of their lives (social, psychological and economical). In terms of consumer buying habits, adapting to a new environment created by the sanitary crisis (meaning that people had to get accustomed with online shopping) and the influence of other factors such as the unstable economic environment, the instability of the labor market, the increase in unemployment, etc., caused major shifts in consumer behaviour, forcing many companies to reconsider and reorganize their business strategies accordingly. This paper examines the changes in consumer behavior in a post-pandemic era, reflected by e-commerce statistics, with the purpose of anticipating future trends which will help companies manage their business in the online environment.

Key words: consumer behaviour, e-commerce, online purchasing

J.E.L. classification: M30

1. Introduction

In recent years, tradesmen have improved their expertise in e-commerce, following the COVID-19 pandemic, which was crucial for some sectors to function properly. Changes were reflected in recent statistics that indicate the growth of the European e-commerce at up to €718 billion, an increase of 13% since 2020

(https://ecommerceeurope.eu/wpcontent/uploads/2022/06/CMI2022_FullVersion_LIGHT_v2.pdf)

The world as we know it has been drastically altered by the COVID-19 pandemic. The way people live today is different, as have their buying habits and opinions on the consumption of various categories. Concerns about their health and finances have taught them to adjust and prioritize purchases, and current research indicates that these newly acquired habits will endure after the crisis. Large global enterprises as well as small firms will be impacted by all of these changes. As a result, the SARS-CoV-2 health emergency changed the sector in real time and accelerated some trends (for example, the rise of e-commerce due to the inability or limitation of purchasing options in traditional and mandatory stores). rules) and introduce fresh marketing and management difficulties (Zaif et al., 2020).

Even if it appears that we are finally leaving the pandemic behind after more than two years, Europe has just sadly turned into a key battleground.

The conflict in Ukraine and its horrific effects on the Ukrainian people exposed the frailty of the continent's peace, but they also showed how eager Europeans are to assist one another in difficult circumstances. Although the protection of the Ukrainian people is a major priority, the war's impacts may be seen all around Europe. Although it is now difficult to foresee its long-term effects, the war

in Ukraine has already had a significant effect on European and international markets. Energy and inflation costs have dramatically increased due to the conflict, reducing consumer purchasing power.

2. Theoretical background

2.1. Consumer behaviour

Consumer behaviour is nothing more than an economic manifestation of human behaviour in general; by studying it we can identify the variables that determine people's consumption patterns, which can be social, psychological, economic and so on, starting from the moment of the purchase decision, continuing with the frequency of consumption of goods and services and its fluctuations. Myers and Reynolds (1967) define consumer behaviour as the totality of acts, attitudes and decisions of an individual in relation to the use of his/her income for the purchase of goods and services, i.e. for saving. Consumer behavior is described as "the totality of decision-making acts performed at the individual or group level, directly related to the acquisition and use of goods and services, in order to satisfy current and future needs, including the decision-making processes that precede and determine these acts" (Căţoiu and Teodorescu, 2004).

Consumer behavior is the study of how people choose, pay for, use, and then discard products, services, ideas, or experiences to fulfill their needs and desires (Kotler and Keller, 2012).

2.2. E-commerce

E-commerce is an innovative business method that addresses the needs of organisations, merchants and customers to build (or strengthen) capitalised brand value using digital (or internet-based) media. Today, e-commerce is conducted through a number of specific channels, including websites, online stores, social media, apps, etc. There are a number of advantages offered by an e-commerce company that we can list:

Table no. 1 The advantages of e-commerce

<i>Accessing markets globally</i>	This can give small companies the opportunity to compete with big brands and position themselves in international markets;
<i>Increase brand visibility</i>	By implementing online promotion strategies, advertising messages will reach much larger audiences and the brand will get much better exposure; thus, there is a possibility to increase brand awareness.
<i>Reduced costs to attract, serve and retain consumers</i>	New technologies offer creative and interactive possibilities for communicating with customers, which, apart from the advantage that they are considered more efficient and faster, cost much less than traditional means of communication, and are not perceived as aggressive approach techniques by consumers;
<i>Increased order processing capacity</i>	Companies can process and manage order processing without being constrained by time limits;
<i>Fast delivery of goods and services</i>	Once the products have been placed in the virtual shopping cart and the order has been completed, they will arrive at the customer's door shortly;
<i>Business expansion opportunities</i>	Every modern company today is part of the so-called 'connected economy', which gives them the opportunity to call on resources outside the company to streamline their work (<i>outputs</i>);
<i>Cutting out the middlemen</i>	With the Internet, brands can approach potential and current customers, partners or suppliers directly, eliminating a number of steps, processes and costs;
<i>Improving customer service</i>	This translates into increased consumer satisfaction and therefore increased sales;
<i>Integrated communication</i>	A brand that takes a <i>multi-channel</i> approach (uses multiple types of communication channels) will increase its chances of sales growth by offering customers both types of experiences (traditional and digital);

<i>Transparency</i>	Online, consumers can control their exposure to brand advertising messages and can more easily decide whether to purchase a product or service based on their evaluation of other people's reviews or actual photos of products posted on social media, for example;
<i>Maintain or strengthen relationships with partners or suppliers in an easier way</i>	As with customers, constant online interaction facilitates communication with company employees; entrepreneurs can use resources such as email to send them various messages, whether informational, communications or personal messages such as birthday greetings (e-cards), congratulations on important events or other examples, giving them the opportunity to maintain or improve their professional relationships.
<i>Knowing consumer behaviour</i>	Companies can observe and monitor consumer behaviour online by using analytics tools or by turning to specialist firms that can provide them with information on the number of people accessing their website, measure interactions and activities on social networks, search engines, etc.; using this data, companies can segment their target audience more effectively;
<i>Building networks and communities</i>	Online communication enables the formation of networks and brand communities resulting from user-generated content (feedback, reviews, shares, electronic WOM); communities generally consist of loyal consumers, which will generate positive WOM and can attract new customers, and the brand community will grow. Communities and networks create a sense of belonging among consumers;
<i>Adaptability to market requirements</i>	The dynamic business environment created by rapid technological advancement has given rise to new marketing techniques that have been taken up by most companies in almost every industry, creating a highly competitive environment; thus, companies have developed the ability to adapt to these new challenges and to align their marketing strategies with the new technologies;
<i>Process automation</i>	From purchasing or buying raw materials, to production, stock keeping, distribution and logistics, sales and marketing, after-sales service, invoicing, debt collection, etc.;
<i>Reducing employee-related costs and training</i>	Automating processes means reducing the number of employees performing these tasks and reducing salary costs.

Source: (Zaif, 2021)

3. Research methodology

The approach with which this research was carried out on the basis of statistical reports drawn up by reputable companies at an international (Eurostat) and national level, companies that are part of the community of retailers and online store operators, which centralize data and publish the Romanian online trade reports annually.

The variables taken into account concerned the number of Internet users, the frequency of purchases from the online environment, the means of purchase on different devices, problems encountered in the online purchase process, the motivation of consumers to shop online or not, the categories of products most frequently purchased online, etc.

Further, we will present figures, statistics and future estimates to form an overview of how consumer behavior has changed during the pandemic and what are the trends anticipated by specialists in the field. The main source of this study is an article written on GpeC, the organiser of the most important e-commerce events, conferences and workshops in Romania and Central and Eastern Europe and the largest local community of online shops (<https://www.gpec.ro/blog/raport-gpec-e-commerce-romania-2021-cumparaturi-online-de-62-miliarde-de-euro-in-crestere-cu-10-fata-de-2020>).

4. Findings

The Romanian e-commerce sector is expected to reach the milestone of 6.2 billion euros by the end of 2021, about 10% more than in 2020, when the value of online trade was estimated at 5.6 billion euros, according to estimates by ARMO(<https://www.arro.org.ro>), GpeC, and the major

players in the market. The rise fell short of earlier projections, which called for a 15 percentage point increase and €6.5 billion in online sales by year's end. The fact that most manufacturers who were hit by the pandemic globally had low stock levels and challenges in the supply chain as a result is one of the factors contributing to the slower growth than was previously anticipated.

According to The Economist's estimate, the increase in energy costs at the end of 2021 had a negative effect on the durables market as well. A 10% increase in energy prices corresponds to a 4.7% reduction in the durables market.

Last but not least, it is important to keep in mind that the Romanian e-commerce market has started to consolidate; this process was supposed to start in 2020 but was delayed by the pandemic due to the faster growth of online orders (a 30% increase was seen in 2020 compared to 2019). A similar consolidation and slow development period is projected until 2022.

The €6.2 billion estimate for the Romanian e-commerce sector in 2021 covers all transactions made in Romania with both domestic and foreign online retailers, and it only includes the e-tail segment, or physical (tangible) goods that have been purchased online. Services, utility bill payments, digital content, air travel, vacations, travel, hotel reservations, and tickets to various events are not included in this amount.

4.1 Romania in the European context: internet users and online shoppers

According to the most recent Eurostat report, which was released in January 2022 (https://ec.europa.eu/eurostat/statisticsexplained/index.php?title=Ecommerce_statistics_for_individuals#General_overview), 44% of internet users made at least one online purchase in 2021, which is 1% less than in 2020, but overall, the number of online shoppers has increased given the growth of online shopping. With 42% of all internet users shopping online, Romania is the only EU nation behind Bulgaria.

If we include the entire population of Romania in the 16–74 age bracket (not just internet users), 38% of people made online purchases in 2021, up dramatically from 23% in 2019 (before to the pandemic), illustrating the effect of the health crisis on the sector's fast expansion. Romania remains at the bottom of the list, nevertheless, when compared to the average for Europe, where 66% of people (aged 16 to 74) made online purchases in 2021. This indicates that Romania's e-commerce market has a lot of room to develop in the years to come. In 2021, the highest percentages of internet shoppers were found in Norway (92%), Denmark (91%), the Netherlands (89%), Sweden, Ireland (87%), and Iceland (85%).

Figure no. 1 Internet use and online purchases in Europe in 2021

EU (*)	Proportion of individuals who:	
	Used internet within the last 12 months	Purchased online within the last 12 months
Belgium	90	66
Bulgaria	94	75
Czechia	78	33
Denmark	90	75
Germany	99	91
Estonia	92	76
Ireland	92	70
Greece	59	87
Spain	79	54
France	94	67
Croatia	93	76
Italy (*)	82	57
Cyprus	81	44
Latvia	91	54
Lithuania	92	62
Luxembourg	88	60
Hungary	99	81
Malta	89	66
Netherlands	88	65
Austria	95	89
Poland	93	63
Portugal	87	61
Romania	83	52
Slovenia	88	38
Slovakia	90	72
Finland	90	75
Sweden	97	79
Iceland	97	87
Norway	100	85
Switzerland	100	92
Montenegro	98	83
North Macedonia (*)	83	26
Serbia	84	34
Turkey	84	45
Bosnia and Herzegovina	82	40
Kosovo (*) (*)	77	30
	97	46

(*) estimates

(*) 2020

(*) This designation is without prejudice to positions on status, and is in line with UNSCR 1244/99 and the ICJ Opinion on the Kosovo declaration of independence.

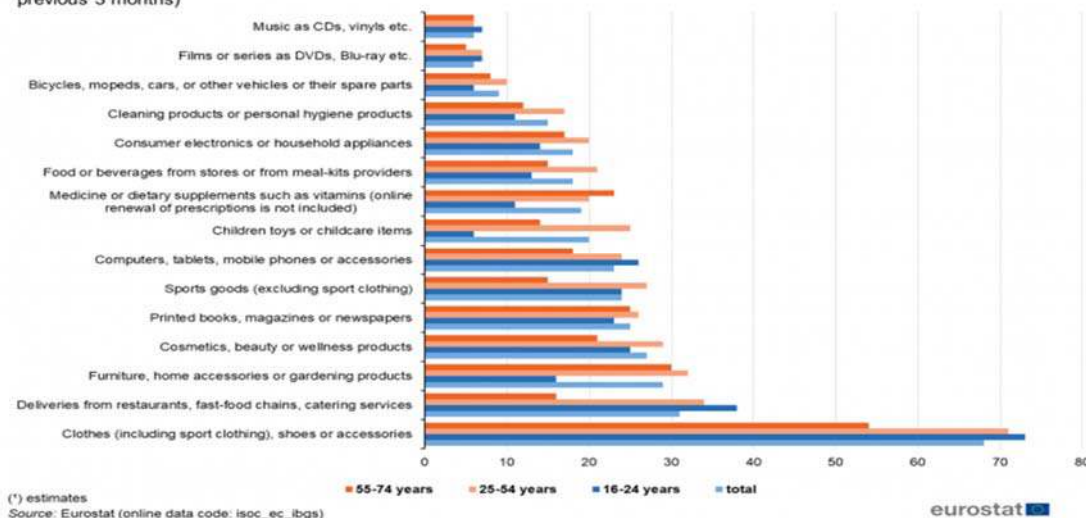
Source: Eurostat (online data codes: isoc_ci_ifp_iu and isoc_ec_ib20)

eurostat

Source: (Eurostat, 2022)

According to Eurostat, the top 6 categories of products and services sold online in Europe in 2021 are in the clothing industry (clothing, including sportswear, footwear, and accessories, with a 68% share). These are followed by food deliveries from restaurants, fast food chains, and catering services, which have increased by 2% since 2020 (31%). The following categories also performed well in European online shopping: furniture and home and garden accessories, 27% (equal to 2020), clothes, footwear, and accessories, 29% (+1% vs. 2020), and cosmetics and beauty and wellness products, 25% (-2% vs. 2020). - Printing of books, magazines, and newspapers: 24% (up in ranking 2020).

Figure no. 2 Online purchases of goods in Europe in 2021
(% of individuals who bought or ordered goods or services over the internet for private use in the previous 3 months)

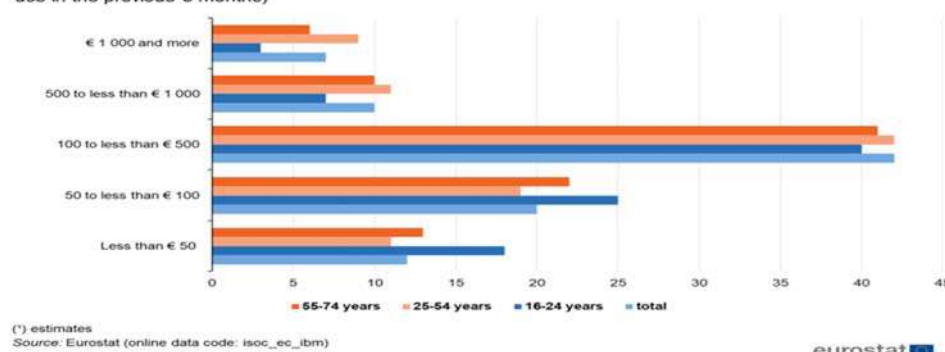


Source: (Eurostat, 2022)

4.2 Europeans' frequency of purchase and money spent online

In the past three months, one-third of European internet buyers made up to five purchases, while 15% made more than ten. Online shopping is most popular among people aged 25 to 54, with 6 to 10 transactions (17%) and even more than 10 purchases (18%) made in the previous three months. The average number of online purchases made by young people (16–24 years old) and seniors (55–74 years old) in the previous three months is 1-2.4 out of 10 online buyers spent between €100 and €500 during the previous three months, according to Eurostat. Typically, those between the ages of 16 and 24 spend less (under €100), whilst those between the ages of 24 and 54 pay primarily between €100 and €500, and 11% between €500.

Figure no. 3 Money spent on online shopping by European consumers in 2021
(% of individuals who bought or ordered goods or services over the internet for private use in the previous 3 months)

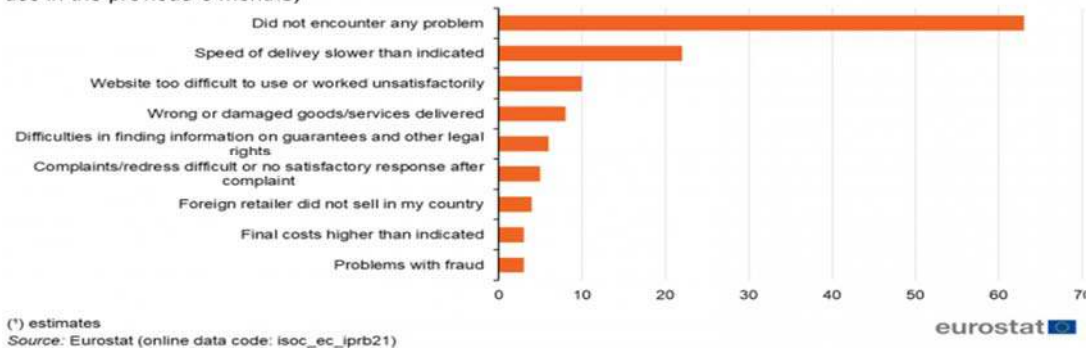


Source: (Eurostat, 2022)

4.3. The most common problems with online shopping

The Eurostat poll found that 63% of European online buyers claimed they had no hassles or difficulties when making purchases. It's decreased from 71% in 2020. The primary issues that European consumers had were deliveries taking longer than the period promised on the online store website by 22% (+5% from 2020); 10% (+2% vs. 2020) - Usability and functionality difficulties with the website; 8% (similar to 2020) of customers received damaged or different products from what they ordered; 6% (up 2% from 2020) had trouble locating data on product warranties or consumers' legal rights; 5% (about the same as in 2020) had trouble filing a complaint or didn't get a sufficient response to their concerns; 4% (equivalent to 2020) of consumers had issues with foreign internet retailers not offering their products in their native country; 3% of consumers (approximately 2020) report that final costs are higher than what was originally stated on online retailer websites; 3% (similar to 2020) - additional issues (irregular card use, completely undeliverable goods or services, etc).

Figure no. 4 Problems encountered when buying over the Internet in 2021
(% of individuals who bought or ordered goods or services over the internet for private use in the previous 3 months)



Source: (Eurostat, 2022)

The following were the primary deterrents to internet shopping for European consumers: 18% of consumers say they prefer to make their purchases offline (either out of habit or the desire to physically inspect the product); 14% did not require online shopping; 6% are worried about the security of transactions or personal information; 5% of people think they lack the skills necessary to shop online; 5% of people worry about returning something and getting their money back; 3% of people are worried about delivery prices; 3% of people are concerned about the timeliness or dependability of delivery services; The desire to purchase from a single European market outside of national borders is shown by the 32% of European customers that shop online from cross-border stores, an increase of 2% from 2020.

Figure no. 5 Reasons for not buying online in 2021
(% of individuals aged 16-74)



Source: (Eurostat, 2022)

4.4 Average transaction value on Desktop and Mobile in Romanian e-commerce

The average value of online transactions climbed marginally in 2021 compared to 2020 for both desktop and mobile purchases, according to 2Performant figures (<https://2performant.com/>). Romanians spent, on average, €66.67 in 2021 on desktop-based online transactions, up from €61.5 in 2020. The average basket value for mobile purchases increased from €43.5 in 2020 to €46.47 in 2021. The average order on a desktop computer is still higher than on a mobile device, suggesting that Romanians are making more significant financial purchases from their desktop computers.

On the other hand, Romanians mostly use their mobile phones to make online purchases when they are making impulsive purchases that do not necessarily involve careful research into the goods or a lengthy decision-making process. Mobile devices now account for 75.5% of all online shop traffic in Romania, up from 71.9% in 2020. The percentage of traffic coming from mobile devices approaches 85% in the case of well-known online stores that GPeC consulted. Additionally, mobile beats desktop in terms of value: although though the average transaction value is lower on mobile than on desktop, altogether 61.7% of the value of online transactions in Romanian e-commerce originates from phone transactions, compared to only 38.3% from desktop, in comparison to 2020, when 57.4% of the value of e-commerce transactions was generated on mobile.

Both desktop and mobile traffic rises proportionately in the morning, however desktop traffic begins to decline after 11:00 while mobile traffic rises steadily until then. The busiest hours on mobile are 21:00 to 22:00. According to the 2020 trend, the majority of sales are made between 11:00 and 15:00 on desktop and between 20:00 and 22:00 on mobile. The biggest value transactions are conducted between 21:00 and 22:00 on mobile devices and between 10:00 and 12:00 on desktop computers. Monday through Wednesday are the busiest days of the week for transactions, which drop off from Thursday to Saturday before picking back up on Sunday night.

Both mobile and desktop purchases show the trend. In 2021, Mondays saw the largest value in e-commerce transactions, while Saturdays saw the lowest value. 60% of the time, the choice to buy is made within the first hour of clicking, and 4.6% of the time, within the first 24 hours.

5. Conclusions

New trends in e-commerce promote the orientation of business activities towards satisfying customer requirements (potential or actual) as efficiently as possible. Thus, within a company, attention should be directed towards knowing and anticipating the requirements of the market and the typology of its consumers, in order to be able to adapt its marketing activities to meet their actual or potential needs and to design and implement an effective and at the same time rational marketing strategy (managers must be aware of the limits of a company, whether in terms of financial, human or other resources), adapted to the products or services it markets. In order to identify and understand these consumer needs and requirements, and to monitor and anticipate them in a dynamic market environment, an in-depth study of consumer behaviour is needed.

Even if the statistics place Romania in the last places in terms of online purchases at the European level, the significant increases registered in the last two years among users who make their purchases via the Internet offer, exactly as it was mentioned by the specialists in the field, a perspective the positive aspect of the local e-commerce landscape.

The research presented in this paper has the role of revealing the marketing and management strategies (online and offline) that can have a positive impact on certain organizational objectives and a better organization of economic activities for entrepreneurs.

Research results can reveal the degree of profitability of implementing new strategies (evaluating their effectiveness) and can offer new perspectives in building a business in the digital environment, as well as identifying new opportunities that can be exploited. However, having these results as informational support, companies can achieve better planning of budgets allocated to economic activities (efficiency of financial resources), segment their target audience (adapting respective strategies according to specific audiences) and choosing the best channels both to increase business and to deliver a favorable experience to their customers, as well as for promotion (for example, launching a mobile application to facilitate the purchase process in the case of certain categories of products that users frequently purchase from mobile devices).

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