

## RESHAPING THE ROMANIAN CONSUMERS' BEHAVIOUR THROUGH EUROPEAN UNION REGIONAL AND SOCIAL COHESION POLICY

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**ABSTRACT.** *Shaping the East-European Consumers behaviour, in particular that of the Romanian consumers, in an economic and social environment guaranteed by the EU social cohesion policy, makes it necessary that the European institutions guarantee - through adequate action programs and judicial instruments – the harmonising of the community citizens' interests and conditions regarding health, security and their right to be informed, granting them a fair position on the market.*

*The following paper aims to:*

- *realize a comparative study concerning the behaviour patterns of the EU consumers and of the East-European ones, especially those from Romania;*
- *emphasize the role of the EU regional and social cohesion policies (the Structural Funds and the Cohesion Fund) in eliminating interregional disparities;*
- *evaluate the prospects regarding the rise of the EU pre-accession instruments in the regional and social cohesion policy applied in Romania.*

*Becoming aware of the behaviour patterns of the local consumers and of those from the EU gives the national authorities and the Community ones the chance to integrate the protection of the Romanian consumers in the EU Program on consumers protection and information policy.*

### Introduction

At the beginning of the third millennium, the regional policy promoted by the EU in the member states is facing three major challenges:

1. The economic and social situation of the candidate countries is, in most of the cases, more difficult than in the less developed regions of the 15 member states, a pre-adhesion assistance being necessary.
2. The competition between firms has deepened considerably as a result of the world trade liberalisation, which gave big companies the chance to expand wherever they found conditions for increasing their advantages (infrastructure, quality services, well trained/workforce). This is why the regions left behind must be supported in providing for similar conditions in order to make them attractive.

3. The technological revolution and the development of the information society make it necessary for the EU citizens to adapt very rapidly to ever changing situations. Therefore it is necessary that inhabitants from all regions have access to the most advanced know-how through telecommunication networks, innovations and high quality professional training.

Although EU represents one of the most prosperous economic areas in the world, the differences between the member states are striking, the situation being extremely obvious if we take into consideration the 250 different regions in it, to which the existent regions in the candidate states will be added.

A first step in appraising these gaps/disparities is the measurement and comparison of the prosperity level for each country, determined by

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their Gross Domestic Product (GDP). Among the EU countries, for example, Greece, Portugal and Spain have an average GDP per inhabitant that represents only 80% of the community average GDP. Luxembourg has 60% over the average value, and some regions of the EU (Cornwal - Great Britain, Burgenland – Austria, Languedoc-Roussillon – France, Dessau – Germany, Hainaut - Belgium) have between 150% and 300% over the less developed regions GDP (Ipeiros – Greece, Alentejo – Portugal, Extremadura – Spain, Border Midland and Western Ireland).

The purchasing power standards, measured by the GDP level per inhabitant in 8 of the 10 states that have signed the EU adhesion protocols as well as in Bulgaria and Romania are much below the community average: Bulgaria: 23%, Czech: 60%, Estonia: 36%, Hungary: 49%, Latvia: 27%, Lithuania: 25%, Poland: 39%, Romania: 27%, Slovakia: 46%, Slovenia: 68%.

### Behaviour patterns in Western Europe

The deepening of the European integration process has determined the more and more obvious need to study and acknowledge the European consumer's behaviour in order to obtain a high and uniform level of protection, through judicial instruments and action programs at community level.

Regional disparities of the Europe of The Fifteen but also of The Twenty-Seven have preoccupied a lot of specialists in marketing, as: Michael Thomas, Richard Lynde, Gordon Foscall, John Blyte, Alain Jolibert, Pierre Louis Dubois, A.R. Morden etc. Most of them considered that the main criteria of differentiating between individual consumers are geographical (the country or the region of a certain territory, the urban and rural environment, cities' population), demographic (age, sex, number of the family members, family life cycle, income, occupation, religion), psycho-graphical (social class,

life style, personality), behavioural (shopping situations: ordinary, special; advantages looked for in choosing a product: price, quality; status: new user, former user, potential user, common user; product loyalty: zero, low, medium, high, total; attitude toward the product: enthusiastic, positive, indifferent, negative, hostile). There are also demographic criteria at the base of organisational consumers segmentation (industrial or rural area, location and size of the firm), the supply system (centralised or decentralised) or social-economical criteria (quality, price, maintenance possibilities, decision power structure, the nature of existent relations).

Concerning the European continent, experts in consumers' behaviour have operated with three population grouping criteria, taking into consideration the partial results of the integration process:

- Level 1 – macro-segmentation by forming consumer groups from countries or habitant populations in 2-3 countries (German, French);
- Level 2 – general micro-segmentation by forming groups on general socio-demographic criteria with a lower relevance degree for specific products;
- Level 3 – specific micro-segmentation by delimiting consumer groups on specific criteria, as life style, behavioural ways etc.

*A. Using these three levels, but especially the general micro-segmentation, the following European consumer groups were formed:*

**1. North-West Europe**, covering Great Britain and Ireland, where the population age is close to Europe's average, and the income per year is medium – 11450 Euro; English speakers;

**2. Midland and North Europe**, covering the North of France, the South of Belgium, Midland of Germany and Luxemburg, with a mainly old

population, having a medium to high income – 15470 Euro; French and German speakers;

**3. South-West Europe**, that is Spain and Portugal, with a mainly young population, with a low average income – 6530 Euro per year; Spanish and Portuguese speakers;

**4. Central and South Europe** containing the South of Germany, the Northern Italy, the South of France, Austria with a population of average age, high annual income – 16740 Euro, French, German and Italian Language speakers;

**5. South-East Europe** – Greece and Southern Italy with a young population, low-average income – 7610 Euro, French and Italian speakers;

**6. Northern Europe and Switzerland**, containing Denmark, Northern Germany, Netherlands, the North of Belgium, Sweden, Norway, Finland, Switzerland with a population of an European average age, very high income – 19420 Euro, Scandinavian languages, French, Italian, German speakers.

*B. Euro-consumers have been defined easier on cultural, psychological and the preference for some particular groups of products criteria, such as:*

**Group 1** – Austria, Germany, Switzerland, Italy, Ireland, United Kingdom – 203 millions inhabitants with low interest in (achieving) power, average degree of individualism, masculine tendencies, preferring high performance products, interested in novelties.

**Group 2** – Belgium, France, Greece, Portugal, Spain, Turkey – 182 millions inhabitants, with medium interest in power, high wish for avoiding uncertainty, tendencies towards individualism, but also towards collectivism, low to medium degree of masculinity, preferring traditional products with a low purchasing risk and

wishing to place themselves under the official umbrella of the Consumer Protection;

**Group 3** – Denmark, Sweden, Finland, Netherlands, Norway – 37 millions inhabitants with low interest in power, high degree of individualism, low degree of masculinity, wishing new and most of all uncontaminated products from consecrated companies.

*C. The social criterion led to the following classification of Euroconsumers:*

- Traditional people – 18%, very homogenous group, with a strong attachment to the national essence (Northern countries, Greece, Italy);
- Family people – 14%, strongly bound by their origins and childhood, with high needs for social integration, having good relationships with one another, and being less able to face social violence (Spain, Portugal, South-East Europe).
- Rational people – 23%, open to taking risks, able to face unpredictable situations (England, Germany, a part of France, Central-European countries).
- Pleasure seekers – 17%, centred on emotional experiences, opposing resistance to the hierarchical structures (Northern and Western European countries);
- Life fighters – 15%, individualists, organising their lives on their own (Germany, Belgium, Netherlands, Denmark, and Northern countries to some extent).
- Innovators – 13%, non-hierarchical structure and spontaneity adepts, able to respond in a positive way and in due time to quick changes of environment.

Using the same criterion, the following Euro styles have been found: Euro-dandy, Euro-

unchangeable, Euro-squadron, Euro-romantic, Euro-peasant, Euro-wealthy, Euro-moralist, Euro-citizen, Euro-defensive, Euro-scout, Euro-pioneer, Euro-protestant, Euro-vigilant, Euro-cautious.

### Behaviour patterns in Romania

The research on the behaviour of the East European consumer, including the one from Romania, is an on-going activity, but a very difficult one at the same time because, as Professor Richard Lynde once said: "the Eastern buyer is not familiar with the choosing process, is ignorant and in some cases reticent in this process".

In Romania there have always been and still are interests in studying the mutations occurred in the attitude and behaviour of the consumer after 1990 (the group of researchers and professors from the Academy of Economic Studies, conducted by Professor Doctor Iacob Catoiu, some public and mass-media research and statistic institutions: IRSOP, INSOMAR, IMAS, CURS METROMEDIA TRANSILVANIA, ACE Nielsen, Daedalus Consulting and also The National Institute of Statistics), determining in this way especially the degree of influencing and accepting the changes in the services and products consumption domain and the segmentation of final consumers based on social and professional criteria.

The motivation research consisted in direct inquests made on representative samples of Romanian population, but also in the economic, social and administrative reasons which led, in the course of history, to the increase of regional imbalances (the development, between the two world wars, only of the zones which had access to the mineral and energetic resources or of the big cities, such as: Bucharest, Prahova Valley, Brasov, Hunedoara, Jiu Valley, Resita, Braila, Galati, Constanta), in the communist policy, based on industrialisation and forced urbanisation, through the redistribution of limited development

resources on non-economical basis. The administrative structure was also taken into account, settled by the law no.2/1968 (41 regions and Bucharest Zone, approximately 2.900 towns and cities and over 23.000 villages) as well as the geographic map of the nine historical regions of Romania: Moldavia, Muntenia, Oltenia, Transylvania, Banat, Crisana, Maramures, Bucovina, Dobrogea which, by the Regional Development Law no. 151/1998, constituted the starting point in organizing the eight functional regions in order to apply the regional development policy and social cohesion programs established by the European Union. These are: North-East, South-East, the South of Muntenia, the South-West of Oltenia, West, North-West, Centre and Bucharest-Ilfov.

The inter-war inheritance and the economic reorganisation of artificially developed regions led, after 1989, to increasing gaps/disparities between the most developed regions, such as: Bucharest-Ilfov, Centre and West, and the least developed regions: Moldavia, the East of Romanian Plain, Oltenia.

*Taking into consideration the following criteria: the purchasing power (the regional GDP), the lifestyle, the products (brands) and services consumption, and the (mass)media consumption, the Romanian population was classified in five big categories, that is:*

- Active professionals – 14,4%, a group made of persons with an active life dedicated in particular to their carrier through which they hope to obtain a higher social position. An important stress is placed on their own image which they develop by purchasing products and services. They try to reach their goals by all means;
- Sophisticated consumers – 2,6%, made of very successful persons, self-confident, having the others' recognition and living in luxury.

These two categories are placed in the modern and influence-resistant area of Romanian population. The other three categories are place in

the traditional, influence-resistant or hard to influence area of population. These are:

- Passive traditionalists – 26,5%, a group made of conservative persons by definition applying traditional values to their own families, nostalgic when it comes to the past, not so confident in new or innovative things.
- Sedentary family people – 20%, persons who perform most of their activities and spend time inside the family, often in front of the TV, having a high consideration for the safety of the group, seeking for quality products but also making compromises especially in terms of price.
- Nostalgic and resigned people – 36,5%, admirers of the past who do not do anything to change the actual situation.

*The active professionals and sophisticated consumers group is also divided, according to income, professional and extra-professional aspirations, in different categories, as follows:*

- general managers, department directors, owners, managers – considered formal leaders (by appointment) and considered informal (in extra-professional groups to which they belong), they are persons with ages between 30 and 44, married, from urban area, with a average income per person of about 5000 Euro, owning 2 or 3 properties, preoccupied with the acquisition of the latest durable, very modern (limos or Jeeps, luxury furniture, audio-video and communication devices), they are modern spirits that adopt the newest tendencies, responsible, socially and politically active, prefer outdoor activities and journeys abroad, participate in conferences, congresses and social events, make investments in home preservation, garden and pool arrangements, prefer theatre and concerts to TV, are interested in establishing and maintaining of good relationships, especially with public, influent figures;
- executives, professionals with post-graduate

degrees, home and abroad specialisation, free-lancers – informal leaders, dynamic persons, self-confident, sociable and altruistic, mostly men (25 - 35 years old), raised in the city, incomes over 3500 Euro, family-type, concerned with their own image, which is why, in order to have their professional and personal achievements recognised they take part in events with social and professional implications and in fashionable ones (seminars, symposiums, inaugurations, restaurants, private clubs, fitness clubs, trips abroad), are interested in purchasing original products in any domain;

- clerks with university degrees, employed in IT or consulting private companies, persons involved in independent activities (doctors, lawyers, notaries) - dynamic persons, preoccupied with self – training and professional recognition, 30 - 40 years old, having a average income around 2500 Euro, family-type with one or two children, owning one property and one or two cars, making investments in quality durable (although not necessarily loyal to brands) and also in house preservation, taking trips in the country and rarely abroad, participating in social events related to their profession.

The group of traditionalists and family men as well as that of sophisticated consumers is divided, due to their social status, into several categories:

- traditional family-oriented type, who consider the family as the most important source of happiness, mostly women from rural and urban areas, medium and high income, higher and secondary education, living according to traditional values like: respect for the elders, morality, honesty and stability. In these families there is a clear line between the husband's role ( family provider, involved in home preservation), and the wife's role (food, cleaning, children education) most of their time being spent at home, the ideal refuge against outside aggression (work-related problems, increasing prices, poverty, social issues)

- sophisticated family-oriented persons – mostly women, usually married, with higher education, medium to high income, raised in the city, for whom the complexity of life represents a challenge and the change is considered an opportunity for enlarging their knowledge. They are open persons, sensitive to the needs of others, involved in social problems (poverty, pollution, health), interested in politics, yet considering family as a refuge for relaxation and harmony and the professional life as a stable environment but lacking promotion perspectives. They appreciate moral and ethical values in society as well as in their own families, are preoccupied with their spiritual evolution through reading books, going to theatre and symphonic concerts, attending religious services and also with their health, especially as far as food is concerned

- imitators – generally young men, from high-income families, mostly singles, carefree, ignoring social and familial responsibilities, trying to have as much fun as possible with friends in bars, restaurants, discos or participating in rock concerts, sportive events, parties. Although they are non-conformists and their actions and habits are conflicting with their parents' generation, they still have a strong feeling of affiliation to their families. They are willing to work and study but they are very flexible and ready to change their jobs if offered a better position.

### **The future of the regional and social cohesion policy of EU**

Taking into consideration the similarities encountered in the consumers behaviour in the Northern, Western and Central European countries, especially as a result of European Integration efforts and business globalisation, at this moment we can notice the existence of the so-called pan-European consumers for individual goods, services and a part of the consumption

goods. For the other categories of goods, the approach on the consumers' behaviour can be done only a national basis.

The regional policy of EU is based on financial solidarity, a part of the contributions of the member states to the Community budget being oriented toward the less prosperous regions and social groups. For the 2000-2006 period these transfers represent one third of the Community budget, that is 213 billion Euro from which: 195 billion Euro for the Structural Fund (European Fund for Regional Development, European Social Fund, Financial Instrument for Fishing Orientation and The Orientation Section of the European Fund for Agricultural Orientation and Guarantee) and 18 billion Euro for the Cohesion Fund.

At the elaboration of the financial perspectives for 2000-2006, EU expressed its preoccupation for the situation of the candidate countries, especially for those in the Central and Eastern Europe. The needs of these countries are vast in all fields: infrastructure, industries, services, small enterprises, agriculture, and environment. As a part of the preparations for joining the Union these countries have elaborated together with the EU Commission "The Accession Partnerships" in which the most important problems that each country has to overcome are presented. These strategic documents offer a frame for the pre-adhesion assistance programming.

Defining the legal and institutional frame regarding the EU regional policy for social cohesion in order to harmonise the consumers' interests is an on-going process. For Romania, this policy is supported by a number of important opportunities: the PHARE, ISPA and SAPARD instruments, INTERREG programs which the National Program of Twinning and the 8 regional programs of twinning are part of.

The detailed and scientific evaluation of economic and social disparities at a territorial level as well as that of the complex way of shaping and manifesting the purchasing and consumption behaviour for the goods and services users is one of the basic requirements for elaborating a strong regional development policy and for achieving economic and social cohesion in the entire Europe.

### Conclusions:

The European Union's enlargement and widening process led to an obvious necessity of knowing the behaviour of the consumer from this area, in order to ensure a high and uniform level of protection for them through legal instruments and action programs on a community scale.

Although the European Union is one of the most successful economic areas in the world, the differences between the Member States are still astonishing, the situation being obvious when analyzing the 250 regions within EU15 plus the new regions of the countries recently integrated. If we measure and compare the level of prosperity, on the basis of the annual average income per person, it will reveal great differences between Central and Northern Europe, with an annual income of over 15000 Euro and South-West Europe (Spain, Portugal) or South-East Europe (Greece, the South of Italy) with annual incomes under 7000 Euro. Certainly, in the recently integrated countries, the standards of the purchasing power are much under the European average: Lithuania – 25%, Latvia – 27, Estonia – 36%, Slovakia – 46% etc.

The research of the East-European consumer behaviour is a difficult task, as this behaviour is not yet used with the products' and services' selection process, the segmentation of the buyers' categories being only in the beginning of its

development.

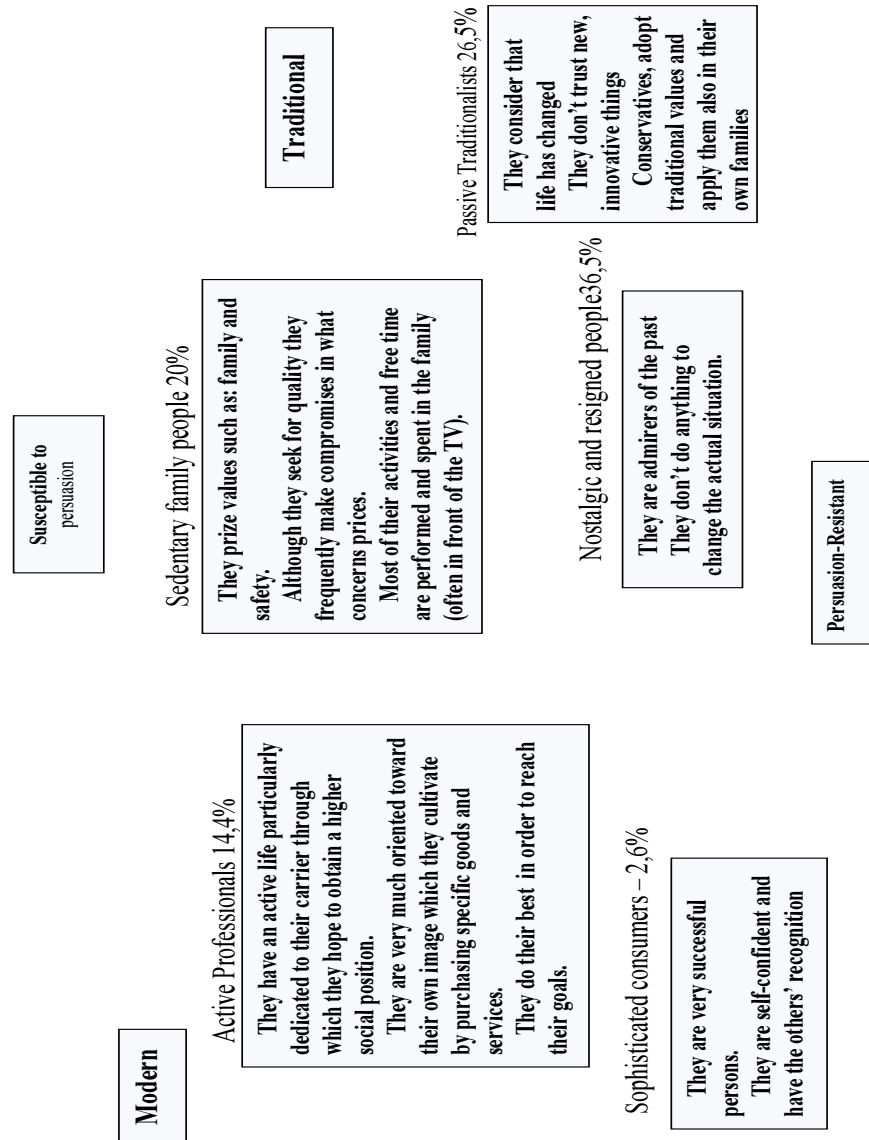
In Romania there are 8 functional regions set up for the regional development policy and for the social cohesion programs of the European Union. These are: North-East, South-East, South Muntenia, South-West Oltenia, West, North-West, Center and Bucharest-Ilfov. The interwar inheritance, but also the transition to a functional market economy led to an extension of the gaps between the most developed regions (Bucharest Ilfov, Center, West) and the less developed ones (North-East, South-East, South-West Oltenia).

The study of the changes in the attitude and behaviour of the Romanian consumers after 1990 led to the conclusion that only 17% of them have professional aspirations and incomes comparable with the ones from the advanced countries of the EU, the remaining ones being still in the traditional and uninfluenced area of the population (the passive traditionalists – 26.5%, the sedentary family persons – 20%, the nostalgic resigned population – 36.5%).

Despite all these, studying the similarities in the European consumer behaviour, considering also the European integration and business globalisation efforts, it can be concluded that there are in this moment the so-called Pan-European consumers for the industrial goods, services and for a part of the consumer goods. For the other products' categories, the approach of the behaviour models is being made, for the moment, only at regional and national level.

Also, the efforts to abolish the regional disparities and to harmonize the consumers' interests through the structural and social cohesion programs from the European Union represent an on-going process, especially in Central and Eastern Europe.

**Annex 1**  
**Degree of Persuasion and Acceptability of Change in the Romanian Products and Services Consumption Field**



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