

Aspects regarding the analysis of the rationality of the buying decision of the Romanian consumer

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Abstract. *One of the biggest challenges of economic theory is to determine the effectiveness and efficiency of economic activities and processes. In terms of consumer behavior this can be defined by the rationality of the buying decision. In this article there are presented several theories that have defined over time and still influence the rationality of the consumer. There are also presented the results of a research which aims to analyze the rationality of the consumer. In particular there are analyzed the relations between different quantitative aspects of the buying decision and the impulsive buying reactions of the consumer.*

Keywords: consumer behavior; buying decision; economic rationality.

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1. Introducere

In modern economy it is assumed that people behave rationally. Rationality in economics is defined as "the internal consistency of decision" and "maximized self-interest" (Earl, Kemp, 1999, p. 480). Starting from these definitions it can be stated that rationality is composed of several forms of rationality, not only in economics but also in other disciplines such as sociology. Thus the general theory of rationality involves the identification of distinct elements of the rationality set and the specification of the relations among them (Earl, Kemp, 1999, p. 480).

In economic theory the term of rationality has passed several stages according to the dominant economic influences. At the beginning, the concept of rationality was a complex and holistic one, based on the enlightenment idea of human reason, after which it was reduced in the classical political economy to utilitarianism, becoming more a calculation tool (Zafirovski, 2008, pp. 789-820). By this, certain aspects of the buying decision are neglected. Emotion is one of the neglected elements in economic theory (Hanoch, 2002, pp. 1-25). Especially in recent years, due to technological developments and the high level of education of the population, some of the restrictions of the buying process were removed. Consequently the consumer is not forced anymore to buy only the products with the lowest price, but to go through a more complex process of purchasing in which the quality of the products and the personal satisfaction plays a more important role (Arcidiacono, 2011). The social environment of the consumer has also an important role in the buying decision. According to Pelzmann et al., "others" are an important source of information for the consumer. So instead of making their own buying decisions, consumers tend to imitate the behavior of other people, simplifying by this the purchase decision (Pelzmann, Hudnik, Miklautz, 2005, pp. 438-442). Consequently a small group of rational consumers can impose a rational behavior on the market (Miljkovic, 2005, pp. 621-634), and a small group of consumers may impose an irrational behavior. Accordingly, the purchase decision is not always based solely on cognitive processes, but also on emotions, social norms, habits and mass behavior (Pelzmann, Hudnik, Miklautz, 2005, pp. 438-442).

Hanoch believes that the rationality of the buying process must be considered in the context in which the consumer takes it. So a decision which appears at first irrational can be considered rational if it is associated with other actions and priorities of the consumer (Hanoch, 2002, pp. 1-25). Irrationality may come from the fact that the decision maker ignores certain aspects in the buying decision or that he doesn't consider all alternatives or because the decision maker gets to the wrong conclusion based on the information he had

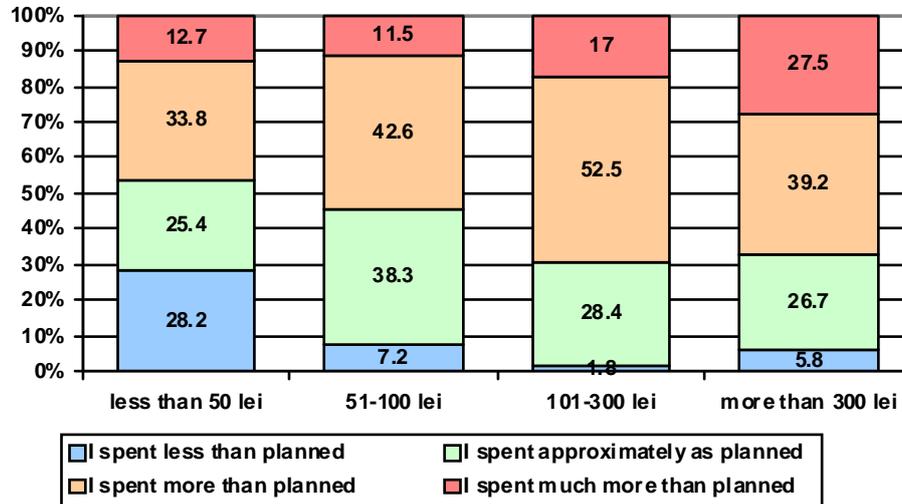
(Hanoch, 2002, pp. 1-25). So we can speak of a bounded rationality (Simon, 1985, pp. 293-304). Miljkovic confirms this analysis indicating different capacities of analysis of the consumer that influences the success and performance of individuals in the process of buying (Miljkovic, 2005, pp. 621-634).

2. The relation of the spending in the store and the consumer behavior

In this article there are presented the results of a research on various issues that have an impact on the rationality of the consumer. There is analyzed the relationship between various quantitative aspects related to the buying process and different issues about the reactions of the consumers in the store. The objective of the research was to determine the cognitive and emotional reactions of the consumer behavior and the rationality of this behavior. The study was conducted between November 2011 and December 2011. For the research there was selected an equal number of men and women and also a homogeneous distribution among the age groups. Respondents within each segment were chosen at random. There were surveyed 711 people.

One of the main elements of the rationality of the consumer is the amount spent. Any consumer tries to maximize his utility by paying the lowest possible price. Thus, the first analysis about the rationality is related to the analysis of consumer's perception and opinion about the spent amount. It should be noted that in this analysis there are considered all surveyed consumers regardless of the income. In Figure 1 there can be observed the relationship between the amount spent by consumers at a visit in the store and the perception about this value. As expected, as the amount spent is higher the consumer has the impression that he spent more than planned.

Most people who consider that they spent less than planned during a visit in the store paid less than 50 lei (28.2%). This percentage decreases to 7.2% for those who spent between 51-100 lei and does not reach more than 5.8% for those who spent more. Regarding the amount of consumers who spent approximately as planned it reaches values between 25.4% and 38.3%, having a mean of 31%. It can be observed that most consumers who have spent as planned are those who have paid amounts between 51-100 lei. For the remaining proportion, the percentage of consumers who spend as planned varies between 25.4% and 28.4%. It can be said that most of the Romanians plan to spend between 51-100 lei.



Source: results of own research.

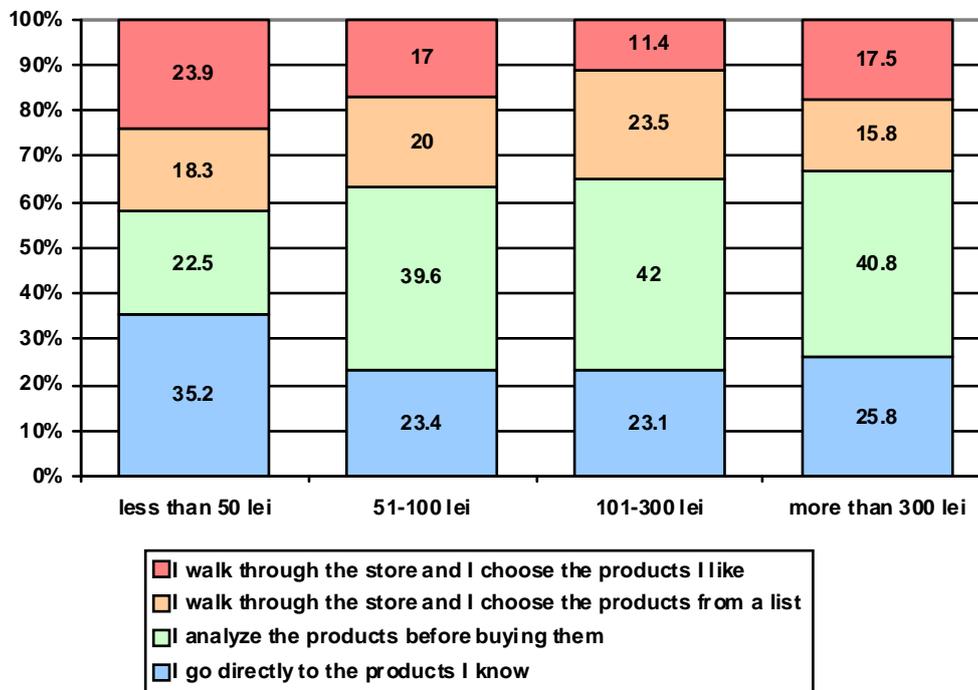
Figure 1. The relation between the spent amount and the perception on this value

The most common perception is that consumers spend more than planned. This type of perception has values between 33.8% and 52.5% and an average of 44.9%. This perception is most often found at consumers who spent in the store between 101-300 lei (52.5%), confirming the fact that most Romanians plan to buy less. The second category of consumers who have the perception that they spent more than planned are those who spend between 51-100 lei (42.6%) and those who spend more than 300 lei (39.2%). Most of the consumers who spent more than planned paid more than 300 lei (27.5%). For consumers who spent in the store between 101-300 lei, 17% of them spent much more than planned, while from those who spent more than 100 lei, more than 11% believe that they spent much more.

Regarding the rationality of this behavior, it depends on the reasons that led to this result. One of the main reasons is a wrong evaluation (undervaluation or overvaluation). This wrong evaluation can come from the fact that consumers wrongly estimated the price of the products they intend to buy (which can also be explained by an increase of prices), but also because of an impulsive behavior. So, the consumers come to the store to buy some products but they also see other products that tempt them and they buy them. Another explanation can be the fact that the consumer don't wish to buy too much, trying to limit the spending. So in the questionnaire he mentions the amount he wants to spend, but he always spends every time the same amount, often higher than desired. In figures 2 and 3, there is analyzed the type of

behavior depending on the amount spent in the store and on the opinion of the consumer about this impulsive behavior.

As it can be seen in Figure 2, the consumers who spend more in the store have rather an analytical behavior, while consumers who spend less than 100 lei have the highest amounts both for the habitualized and the impulsive behavior. If it was expected to have a better representation of the habitualized behavior at the people who spend less, it was not expected to have such a good representation of the emotional-impulsive behavior at those who spend less in the store.



Source: results of own research.

Figure 2. The relation between the spent amount and the consumer behavior

As mentioned before most consumers who spend at a visit in the store less than 50 lei have a habitualized behavior, so they go straight to the products they know. So 35.2% of the consumers who spend more than 50 lei have this type of behavior, being the preponderant behavior for this segment. This type of behavior is less represented at those who spend more at a visit in the store, having values between 23.1% and 25.8%. From the consumers who spend at a visit in the store more than 51 lei, the main behavior is the analytical one. From

consumers who spend less than 50 lei in store, only 22.5% of them have an analytic behavior, while for the consumers who spend more than 51 lei, this behavior can be observed at more than 39.6% of the consumers. These values increase slightly for those who spend between 101-300 lei (42%) and those who spend more than 300 lei (40.8%).

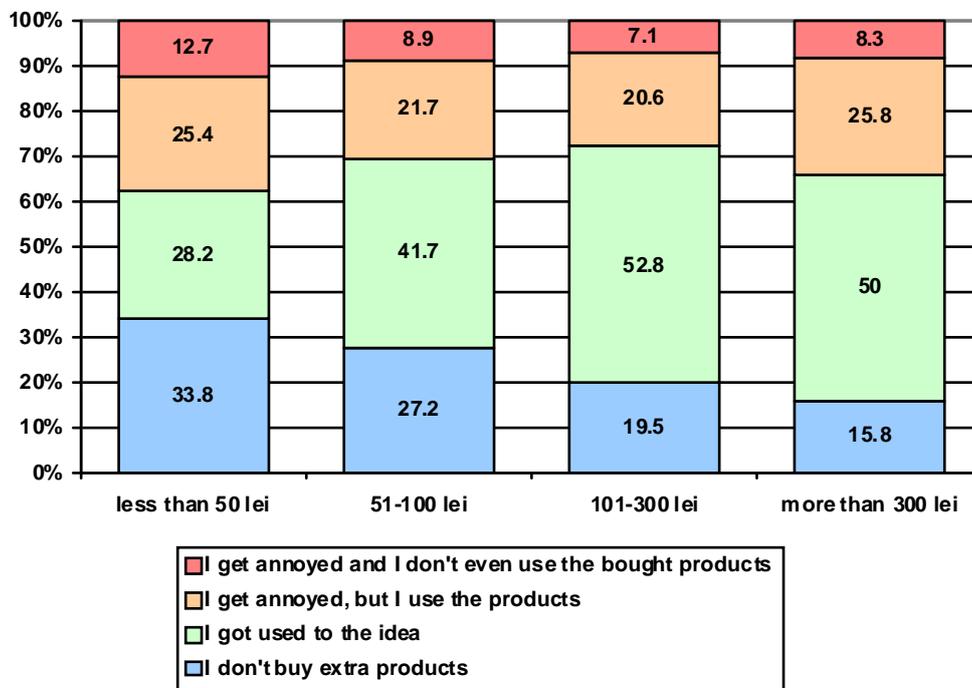
Regarding the impulsive buying behavior, by which the consumer buy the products they like best, this can be found most frequent at the consumers who spend less than 50 lei. So 18.3% of these customers are walking through the store and choose the products from a list, while 23.9% of the consumers are walking through the store and choose the products they like. One of the explanations for this behavior is the fact that this segment of consumers came to the store because they need something (63%). So they buy the product they came for and choose only the products they like. Cumulated these percentages decrease for consumers who spend more in the store. From the consumers who spent at a visit in the store between 51-100 lei, 20% walk through the store and choose the products from the list, while 17% choose the products they like. The percentages are similar for those who spend between 101-300 lei. So 23.5% are walking through the store and buy the products from the list, while 11.4% chose the products they like. For the consumers who spend more than 300 lei during a visit in the store, the types of impulsive behavior are reversed. So, more consumers are walking through the store choosing the products they like (17.5%) than those who walk through the store and choose the products from a list (15.8%).

Regarding the impulsive behavior it can be noticed a similarity between the consumers who spend less than 50 lei and those who spend more than 300 lei, explained probably by the different objective of their shopping. For those who spend less than 50 lei in the store, the objective of shopping is that they need something (63.4%), while those who spend more than 300 lei came to shop for a week (54.2%).

In Figure 3 there can be observed the opinion of the consumers about buying additional products. It can be observed that most consumers got used to the idea of buying extra products. The percentage of people who do not buy extra products decreases with the increasing value of the purchases. So 33.8% of the consumers who spend less than 50 lei state that they do not buy extra products. This percentage decreases to 27.2% for the consumers who spend between 51-100 lei, 19.5% for those who spend between 101-300 lei and 15.8% for those who spend more than 300 lei. It can be observed that the percentage of those who state at this question that they do not buy extra items is higher than that where they had to evaluate the number of the extra bought products. This can be explained, on one hand, by a different way of evaluating

the extra bought products. On the other hand, this question is more personal as it is associated with feelings of being annoyed. The correlation between these perceptions is analyzed in figures 4 and 5.

Most consumers said that they got used to the idea of buying products that have not been originally planned, and this percentage increases with the amount spent. Only 28.2% of those who spent less than 50 lei, 41.7% of the consumers who spent between 51-100 lei, 52.8% of the consumers who spent between 101-300 lei and 50% of the consumers who spent more than 300 lei have this opinion. This confirms the fact that most consumers usually buy more than the amount they have originally planned.



Source: results of own research.

Figure 3. Relation between the amount spent and the opinion about the consumer behavior

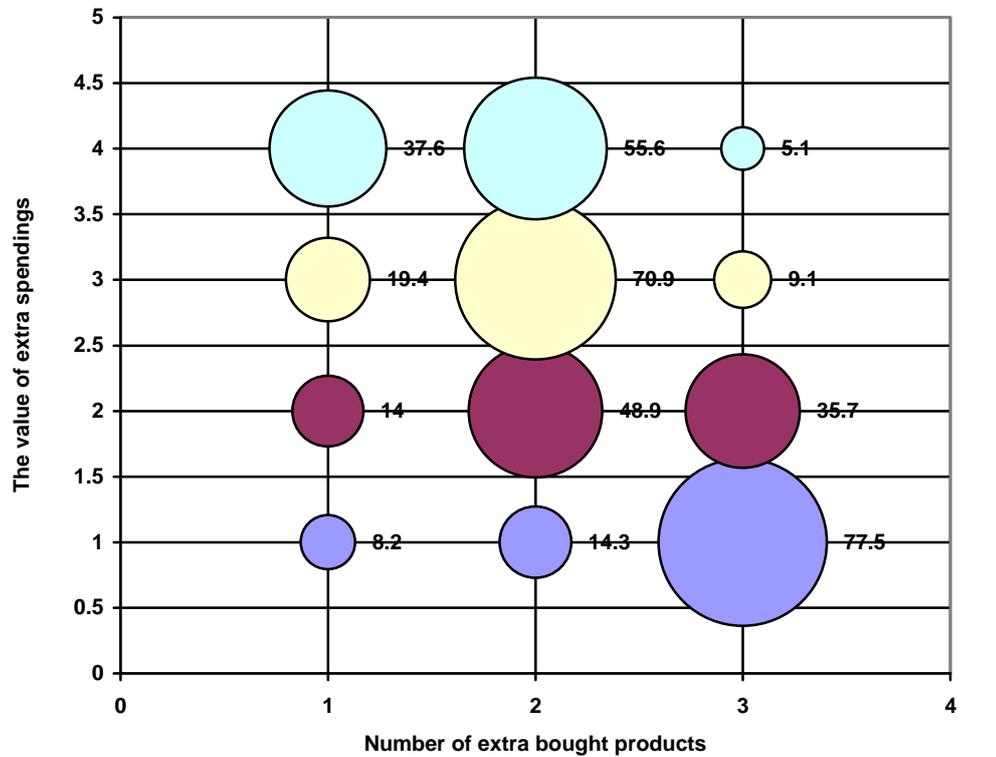
As it can be seen in Figure 3, a high number of consumers get angry (or it is inconvenient) because they buy unplanned products, especially because a part of them do not use these products. It can be seen that the percentage of the people who get angry, but use the purchased products varies between 20.6% and 25.8%. This percentage reaches the highest values for the consumers who spend less than 50 lei and for those who spend more than 300 lei. The highest

percentage of consumers who get annoyed because they buy more than they have planned are those who spend more than 50 lei (12.7%). This can be explained by the fact that most of them came to the shop because they need something and the additional purchased products are based on impulse. For the consumers who spend more than 51 lei, the percentage of those who get annoyed if they buy unplanned products, especially because they don't use these products, varies between 7.1% and 8.9%.

Regarding the rationality of the behavior it is difficult to determine whether they did or did not behave rationally. The question that arises when analyzing this behavior is related to the reason that these customers have had. The reasons may be because of unplanned purchased products that the consumer saw in the store and he remembered that he needed them or found a product that he did not know, but that he might need or he saw a new product and a new idea of how to use it. All these factors can be assigned to a rational behavior, it can be even stated that it helps the consumer and contributes to a diversified behavior. Besides these rational reasons, there are of course some irrational reasons, often determined by the marketing strategies of companies. So attractive offers, interesting presentation of products can determine an impulsive behavior based on the activation of the emotions of the consumer.

3. The influence of the impulse on the consume reactions

Figures 4 and 5 examine whether there is a correlation between the results of the consumer regarding the unplanned purchases. In Figure 4 there is checked the consistency between those who buy more unplanned products and those who spent more in the store.



● I spent less
 ● I spent as planned
 ● I spent more than planned
 ● I spent much more than planned

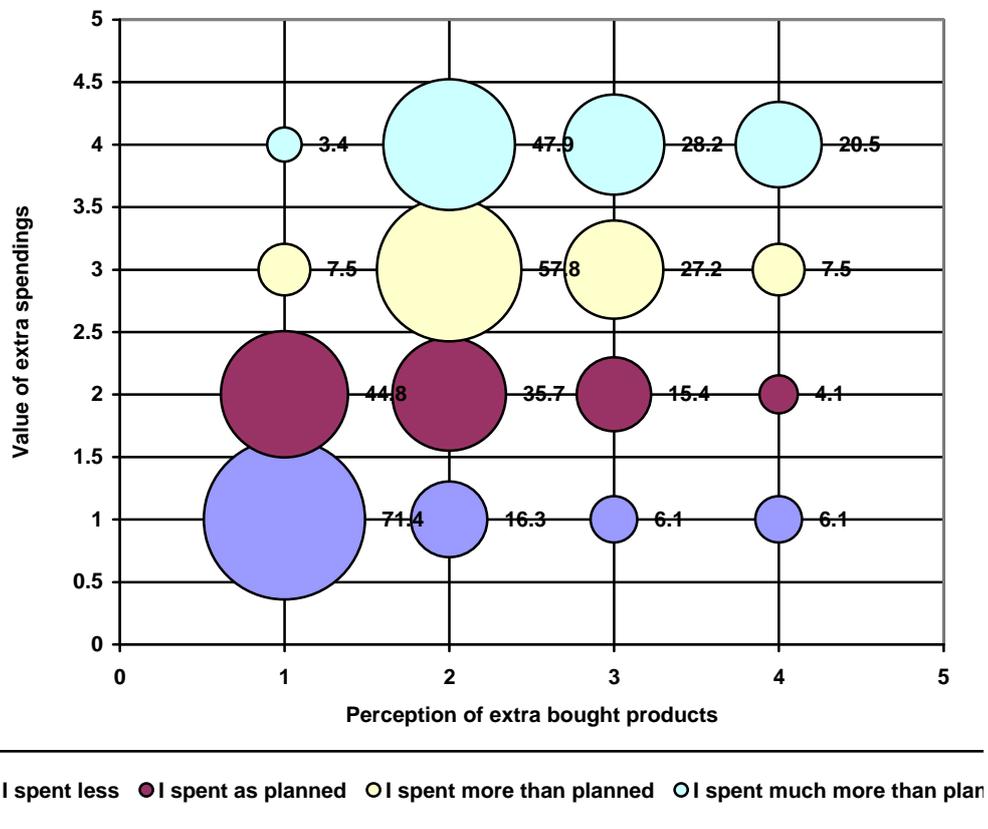
1 = Yes, I bought many extra products
 2 = Yes, I bought some extra products
 3 = No, I bought only what was initially planned

Source: results of own research.

Figure 4. The relation between the unplanned bought products and the extra paid value of purchasing

As can be seen in Figure 4, there is a correlation between those who bought unplanned products and those who spent more. It can be seen that most consumers who spent less than initially planned bought only what they intended to (77.5%). Of course, there are also exceptions so that some of the consumers who spent less, bought a few extra items (14.3%) and even more extra items (8.2%). Among consumers who have spent as planned most consumers have bought a few extra items (40.9%) and some of them only what

they initially wanted (35.7%). So it can be observed that even at the consumers who have realistic expectations of the spent amount there is an impulsive behavior. For the consumers who have spent a little more than planned, most consumers have bought some unplanned products (70.9%) and some bought many unplanned products (19.4%). From the consumers who say that they have spent much more, most consumers have bought a few unplanned products. This result can be explained by a wrong estimation of prices (or an increase of prices). Also a large number of consumers have bought many unplanned products (37.6%).



- 1 = It doesn't happen, so that I don't get annoyed
 2 = I got used to the idea
 3 = I get annoyed every time, but I use the products
 4 = I get annoyed especially because I don't use the products

Source: results of own research.

Figure 5. Relation between the spent amount and the perception on the situation

Figure 5 shows the analysis of the relationship between the values of the unplanned spending and the opinion of the consumer about these purchases. From the consumers who have spent less than planned, as expected, most of them confirm this at the question regarding their opinion on the buying process. From the consumers who spent as planned, most of them state that they didn't buy unplanned products or they got used to the idea. Among the consumers who have spent a little more than they have planned the majority were comfortable with the idea (57.8%). The same happens with those who have spent more than planned (47.9%). Compared to those who spent just a little more, from those who spent much more, more consumers (20.5%) get annoyed for this behavior, especially because they do not use the bought products.

4. Conclusions

The results of the research show that defining the rationality of behavior is a complex process that depends on many factors. The complexity of the buying decision is related to the complexity of the consumer needs. So today's consumer is not satisfied only by covering his basic needs, but the quality and the status in the society have a big influence on the buying decision. So the rationality of a buying decision should be analyzed in terms of these factors. The rationality of buying unplanned products based on impulse, depends heavily on the reasons that led the consumer to act in this way. This behavior may be caused by forgetting to plan a product, but there can be also an impulse of a moment, which also gives satisfaction on the short term. The research related to the rationality of the consumer behavior could be continued by exploring the reasons which led to this type of behavior, though probably few consumers will admit that they took an impulsive, not necessarily rational decision.

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