

THE IMPACT OF MODERN FORMS OF RETAIL COMMERCE ON CONSUMER'S BEHAVIOR

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Abstract:

The impact of modern forms of retailing on consumer behavior can be highlighted even more as the cycle of evolution of retail system shortens in time more and more all over the world. The changing retail structure system by appearance of modern forms of retail leads to increased competition in the sector and consequently in changing consumer's behavior, especially the buying behavior.

The simultaneous development of telecommunications and use of computers has made possible the explosive growth of Internet and development of specific technologies that will have a crucial effect on social and economic activities.

Key words: consumer, modern forms of retailing, consumer's behavior

Introduction

According to DEX of the Romanian language, term impact is synonymous with term influence and also has a stronger connotation of “shock” or “surprise”.

Whether in developed countries the appearance of modern retail was a long process (30 years), consumer behavior modifying over the time, today in developing countries, modern forms of retailing replaced in a very short time(5-7 years) traditional forms of trade, having an “impact” on consumer behavior.

The change of structure in retail system by emergence of modern forms of retailing lead to increased competition in the sector and consequently to change of consumer behavior, especially buying behavior.

According to Cătoiu I., and Teodorescu N., changes in consumer buying habits can be highlighted on three directions¹:

- modal abilities, including preferred forms of sale by the buyers, combination of products when purchasing them, particular brand loyalty or presentation of a product, firm or spontaneous nature of demand.
- temporal abilities, including the schedule period shopping season, per day during the week, the hours during the day.
- spatial abilities, respectively the average distance traveled by customers for purchasing various goods, types of stores from where are used to buy products.

One of the most important marketing environment variables on which the company has no control but which tries to influence the desired direction is the consumer.

Buyer behavior includes all activities involved in selecting, buying, using and disposing of products and services².

The analysis of consumer behavior marketers should consider the following features³:

¹ Cătoiu I., teodorescu N., 2003, *Comportamentul Consumatorului*, Uranus, București, pag.22-23

² Prutianu S., *Inteligenta Marketing Plus*, Editura Polirom, Bucuresti, 1999, p.321

³ J.Blythe, *Comportamentul consumatorului*, Editura Teora, Bucuresti, pp.11-17

- consumer behavior is dynamic, there are few absolute rules of human behavior;
- consumer behavior causes interactions, being necessary to know what consumers think (perception), how they feel (impression) and what they do (conduct), and what factors influence them (the environment);
- consumer behavior cause the exchanges between participants in the sale and purchase process;
- consumers are very different from one another;
- consumers act emotionally rather than rationally and can react differently in different moments of time;
- consumer behavior can be influenced, he can learn and can change attitudes and behavior.

Factors that cause consumer behavior on buying a good refers not only to physical needs(food, shelter, clothing), and do not depend exclusively purchasing power(price, income).

Most theories believe consumer behavior as a function determined by socio-cultural and personal traits.

Among the socio-cultural factors most influence on consumer behavior and elaboration of the marketing strategy, are distinguished culture, class and social position, family and group (reference group).

The economic crisis has brought significant changes in consumer behavior, and these changes bring significant consequences for all companies with direct exposure to the customer.

In order to remain in buyers attention, companies will need to go through radical changes, in order to accommodate with consumers requirements.

Evident trends among consumers

In these days, consumer behavior goes through a big change observing the following trends⁴:

- Removal of borders in market segmentation

Consumer has a changing personality that defies limitations in traditional market segmentation. The consumer has preferences and contradictory sides: make online purchases, but require personal contact with those from who buys, push for individual services, but communicate in group social sites.

- Brand loyalty: a global two-sided coin

Its noticed a split by regions on brand loyalty. If, in emerging markets, brands are more susceptible to influence the buying decision, western consumers are more volatile and show more and more low loyalty to the brand, causing companies to find new ways to attract customers. The consumer seeks information and take decisions himself.

- Consumers want personal communication

Consumer confidence more and more migrates from traditional channels of mass communication to those involving "community", such as social media and other digital channels.

The phenomenon is due to a more clear preferences for personalized communication and services. This move takes the power of own brands paid channels - restricting the range of traditional marketing - and makes the bloggers community the

⁴ [www.infolegal.ro/tag/studiu/Ernst & Young: Consumatorul de azi trece printr-o metamorfoza radicala](http://www.infolegal.ro/tag/studiu/Ernst%20%26%20Young:Consumatorul%20de%20azi%20trece%20printr-o%20metamorfoza%20radicala)

new spokespersons. New current offers huge opportunities and benefits organizations who will know how to win on their side the digital consumer.

- Consumer know-all, has it all

In less than a decade has been reached that most people come online for at least a part of their purchasing activity. Internet changes the balance of power sales as diversifying their own channels. Equipped with all possible products with pricing and inventory information, consumers can simply avoid retailers that are not competitive.

- The transformation of consumer in partner

New customers want to have a heavier word to say about their experience with a services. They want to be co-creators involved in the design of products, not just passive consumers. Consumers want that products and services to be made, sold, delivered and maintained in a manner to suit them.

So, whether they buy from the store or online - except for products that do not negotiate the price or quality - the main priority is advanced technical features (including customization options, wide range and the latest models).

Lines to be follow by companies

Is obviously that these new trends among consumers raise great challenges, but also, and great opportunities for area business. To integrate those consumer's changes into the business, companies must:

- To engage in dialogue with the consumer

Organizations must relearn to understand the consumer, if they want to develop strong and profitable relationships with their customers. They must engage in various types of dialogue, characterized by a new kind of listening and communication in neutral forums governed by different rules. To support this dialogue towards building their consumer understanding, companies will need to invest in more and more analysis and market research.

- To personalize the services

Armed with new information on consumer, organizations must align their value chain to be able to provide a more personalized experience for consumers: from customized products and services, up to flexible delivery solutions, from adaptable payment arrangements up to multi-channel communication options, depending on customer preferences.

- To provide to the customer a total experience in relation with the brand

Organisations should ensure a positive experience at every point where the consumer comes into contact with the brand, including the communication. Just ensuring that complete positive experience for the consumer the companies will succeed to build strong communities around the trade mark to protect their products from their transformation into a simple merchandise which you can buy from anywhere.

- To deliver relevant services on multiple channels

Consumers claim consistency in pricing, quality and branding of services that they need. As organizations develop their online capabilities, they must be careful not to neglect the experience of face to face contact with consumers.

Experience of shopping in traditional stores will remain, further, preferred among consumers, but organizations must reassess their role and format in their portfolio.

- Transform consumers into business partners

Organizations should focus on promoting collaboration relationships with their customers and to find "win-win" opportunities for both sides to develop a partnership with them.

The opening towards the consumer regarding the stages of research and development will bring new ideas and create a sense of belonging and loyalty among

consumers. Involving customers in creating loyalty programs will be useful for suppliers to build a genuine affinity for the product.

The simultaneous development of telecommunications and use of computers has made possible the explosive growth of Internet and development of specific technologies that will have a crucial effect on social and economic activities.

Such changes will provide to the consumers new possibilities for choices and search the most competitive products on the global market.

Electronic commerce is the basic element of the new economy and the Internet is the main medium through which it makes its presence felt.

The general advantages of electronic commerce:

- Internet, environment in which electronic commerce is achieved, is omnipresent, accessible and affordable;
- access to resources through electronic commerce can be done with a wide range of technologies (computers, PDAs, mobile phones, digital TV, tablets etc);
- spent time for shopping is reduced;
- no geographical limitations;
- intermediates can be eliminated from the supply chain;
- stock can be minimized or even eliminated through production processes "just-in-time".

As the critical aspects of e-commerce can be mentioned:

- security;
- acceptance of new methods of payment (electronic / digital);
- investment costs;
- legal and normative framework: in terms of fiscality, property rights, protection of consumer data;
- linguistic and cultural aspects;
- difficulty of integrating the Internet and e-commerce software with some applications and databases;
- Some e-commerce software products do not match with some hardware systems and operating systems;
- inability of touching objects or "smell" online for customers;
- in many fields are not enough buyers and suppliers to be profitable e-commerce operation.

Conclusions

If 10 years ago customers were looking for information to the online stores, but buying from traditional retailers, currently online consumer behavior has changed from one information in one purchasing, increasing the market share of online sales.

Beyond sales, the influence of online trade in total retail (through access to information and making customers getting in contact with each other) is overwhelming.

In 2011, over half of Internet users in European Union countries have ordered goods or services through the Internet (e-commerce). Most internet users do their online shopping occurred in the United Kingdom (82%), Denmark and Germany (both 77%) and Sweden (75%), according to Eurostat (European Bureau of Statistics). In Romania, the last year, only 13% of Internet users have purchased goods or services online. However the trend is positive, say experts⁵.

⁵ www.romanalibera.ro/tehnologie/internet/comertul-online-romanesc

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