

Transformation in consumers' behaviours and attitudes toward services in Romania

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Abstract

Since 1989, the fall of the communist era in Romania and until now, the services economy has known a gradual transformation towards a fully functional market economy. Even if the start was a slow and painful one, things have quickly accelerated when Romania entered the EU. The research purpose is to understand the consumers' attitude and perception towards the quality growth and diversity of services as enhancers for the quality of life. The data were obtained from the SNA Focus national study, one of the most well-known studies used in the Romanian marketing industry. The study accounts more than 10,000 respondents, aged between 14 and 74 years and data from the last 11 years 2007 to 2018, focusing the analysis on the purchasing behaviour and consumption of services collected in the study. The years of major turning points for the Romanian economy are taken into consideration, namely, 2007, the entry into the EU, 2008 the last year of growth before the economic crisis, 2012 the achievement of the minimum point in the crisis, 2015 the official exit from the crisis and 2018 the year of the maximum economic development of Romania. With the economic growth and the development of the Romanian service sector, the level of education of the consumers increased and also their level of exigency. Thus, the present paper shows the type of connection between increasing service levels and satisfaction. This analysis is useful in terms of correlating the level of investment growth and, implicitly, the level of service development with the exigencies of consumers in order to determine a sustainable growth of the services sector.

Keywords: Consumer behaviour, Services evolution, Marketing research, Consumer Typology.

JEL classification: M31.

1. Introduction

Since 1989, the fall of the communist era in Romania and until now, the services economy has known a gradual transformation towards a fully functional market economy. Even if the start was a slow and painful one, things have quickly accelerated when Romania entered the EU.

The research purpose is to understand the consumers' attitude and perception towards the quality growth and diversity of services as enhancers for the quality of life.

According to some authors, emerging markets have the characteristics of adolescents (Edwards S. and Garcia M, 2008, p.1), they are in transition from independence to interdependence with the rest of the international markets. The transition can be done either when the entire market has reached its development from adolescence to adult, and being totally integrated in all its components in the international markets, or one sector at a time. The first is involving higher risks but with higher growth rates (London and Hart, 2004), the second is taking the safe path. The need to model the purchasing behavior based on demographic and psychographic criteria such as gender, age, financial situation, social situation, adaptability, risk, etc. is of highly importance for both the academic (Tang et al., 2007) and the business field., (Dijmarescu E., 2009; Daedalus, 2011).

Starting from the fact that in Romania the service sector has different stages of development, some sectors are developing quicker the others, we chose to focus mainly on two sectors namely financial and telecommunication sector without leaving aside relevant information from other services sectors.

Giving the fact that for foreign companies is in high interest (Bijmolt et al., 2004) to see how different types of consumer segments are behaving in specific markets, we chose to analyse the consumers starting from the Kotlers` generation segmentation (Kotler and Armstrong, 2018, pp. 97-98) grouping the respondents according to the age they had when the Romanian revolution took place.

The research database on which the article is constructed on is a commercial research developed and used by the business sector in accordance to their needs, and used by the authors based on an institutional learning and academic research agreement.

The research purpose is to see how the Romanian services market has evolved between entering in the European Union and the present time, making a trend analyses starting from 2007 and until 2018 to better understand the development of services and the evolution of consumers, and in the end to be able to make some recommendations with managerial implications for further services market development.

2. Literature Review

The countries from eastern Europe are seen as a heterogeneous in terms of main characteristics, but having different degrees of industrial development (Manrai et al., 2001) due to the degree of communism influence. Romania is characterised by a strong value on traditionalism, but also focusing on adopting processes that align its economy to the western ones (Fein et al., 2010). And yet Romania is one of the EU countries with high rate of monetary poverty, material deprivation and low work intensity (Lafuente-Lechuga et al., 2018) which may affect the consumption of services. Romania and other Eastern European countries has based its development on foreign investment, but the companies need to tailor their service offering to match the local demands and requirements (Filippov and Duysters, 2014).

In order to achieve products that benefit both customers and financial entities more than a knowledge and understanding of the categories of consumers, their needs and purchasing behaviour must be anticipated. There is also a need to model the acquisition behaviour according to certain demographic and psychographic criteria (sex, age group, material situation, social situation, risk adaptability, etc.) (Tang et al., 2007) as a prerequisite for knowledge the actual market structure of a particular type of offer. Thus, on the international financial markets there are buying decision-making models, which are extremely complex due to the intangibility of the financial products, on the one hand, the uncertainty of profit generation, on the other, as well as the insignificant financial risk, which may precede a wrong decision. Marketing literature presents a model complex in five steps of decision-making (Assael, 1995; Kotler, 2008) purchase and post-acquisition evaluation.

Understanding consumers is the central element of marketing efficiency, and yet this understanding in the financial products sector is quite limited. For many potential consumers, financial services are not a particularly interesting acquisition, but they are perceived as extremely complicated. Often, potential consumers hardly identify the differences between a financial product or another. At the same time, it is difficult for consumers to carry out product valuation before buying and consequently to get very high-risk levels at the time of purchase. Because financial products do not generate consumer enjoyment, sometimes perceived as diminishing consumer enjoyment, they are seen as "tiring shopping" (Ennew and White, 2007).

Consumer behavior should be seen as a complex, multidimensional process (Catoi and Teodorescu, 2004; Hawkins and Mothersbaugh, 2010), influencing it is almost

impossible, but good knowledge based on thorough and rigorous research can increase the chances of success of products services offered.

As a result of the search process, the consumer, in possession of the information properly organized, takes into account all the possibilities that may lead to a decision. This is the evaluation phase of the alternatives resulting in product selection and decision making (Davis and Cline, 2005).

At this stage the evaluation process involves several variables (Ennew and White, 2007) including:

- the evaluation criteria, respectively the attributes of the product / service;
- the importance of the product or service being analysed (Catoiu and Teodorescu, 2004);
- the concept of self and lifestyle (Hawkins and Mothersbaugh, 2010);

Marketing Strategies (Anghel and Petrescu, 2001) represent a structured set of marketing activities developed by the enterprise in order to achieve its proposed marketing objectives. In our particular case we cannot speak of an enterprise but of a set of cumulative financial entities that form the financial market. What we want to achieve is not a strategic direction to follow a certain type of financial entity but rather to lay the foundations that if a financial market participant would like to define a portfolio strategy to go in its development from the results that we will outline below.

The financial market is a sensitive market not only to the influences of the economic sector but also to consumer perceptions of its characteristics (Stolper, 2018). Thus, the consumer has to be approached differently from the way it is practiced in other consumer markets, and its financial education is essential (Hsiao and Tsai, 2018). By analysis we come to the conclusion that three other types of strategic abstractions remain: the differential approach of future investors, the characteristic approach and the individual approach. The last of the strategies is the one that can fully satisfy the relationship between the financial entity (pension funds, investment funds, insurance companies, banks, SSIF, etc.) and the potential consumer of financial products. Unfortunately, at present, this approach is hampered by the lack of information, the databases on individuals' investors, a general feature of emerging capital markets, and especially of those formed by mass privatization programs, as exemplified by the Market Capital of Romania (Zoicas-Ienciu, A., 2006).

One other problem on the ex-communist economies has been identified as being the lack of demand for some services, including leisure time spending opportunities (Johnson and Vanetti, 2004).

A problem solving of the above, and also other services sector is being identified by Asongu S., Asongu N., (2018) as the appearance of mobile phones and the services that they provide.

3. Design methodology/approach

The data were obtained from the SNA Focus national study, one of the most well-known studies used in the Romanian marketing industry conducted by BRAT (Romanian Joint Industry Committee for Print and Internet) which is a non for profit, independent, tripartite organization for the media and advertising industry, whose members are publishers (media owners), media agencies and advertisers. (BRAT, 2018)

Consumption - Target Group Survey (SNA FOCUS) - is the survey that measures a comprehensive range of consumer characteristics, behaviour and attitudes, like demographics, product, services and brand usage, media usage and lifestyle. The data is collected continuously and covers the entire urban population of Romania, with the exception of 2010 when, due to the economic crisis, the decision was made to reduce collection costs. Only data from cities

with over 50.00 inhabitants were collected. The study accounts for more than 10,000 respondents each year, aged between 14 and 64 from 2007 to 2010 and 14 to 74 from 2011 to 2018 due to population aging and increased life expectancy.

It collects single source information, so any question can be referred to any other question on the survey, whether applicable to media, demographics, the use of product/services categories or brands, or lifestyles. It allows targeting and various complex market analysis. (BRAT, 2018)

The years of major turning points for the Romanian economy are taken into consideration, namely, 2007, the entry into the EU, 2008 the last year of growth before the economic crisis, 2010 the achievement of the minimum point in the crisis, 2012 the technical crisis exit (two consecutive trimesters with economic growth), 2015 the official exit from the crisis (all the macro-economic indicators are reporting positive values) and last available data (July 2017- July 2018) and also the year of the maximum economic development of Romania.

Table 1: Database details

Data Base Name	Sna Focus	Sna Focus	Sna Focus	Focus Capi	Focus Capi	Focus Capi
Collected period of time	Jan07- Jan08	Jan08- Jan09	Jan10- Jan11	Jan12- Feb13	Feb15- Feb16	Jul17- Jul18
Reference year	2007	2008	2010	2012	2015	2018
Age	14-64 y.o.	14-64 y.o.	14-64 y.o.	14-74 y.o.	14-74 y.o.	14-74 y.o.
Collection place	All Urban	All Urban	Urban 50k+	All Urban	All Urban	All Urban
Sample	22.337	16.634	13.854	10.284	11.881	10.799
Researched Universe	8.996.000	8.951.000	5.973.000	9.704.000	8.658.000	8.658.000

Source: (BRAT, 2018)

First of all, some general trends in the services sector are to be observed, except that three age categories and their consumption conduct on the services market are to be observed, and in the end the goal is to determine the main characteristics of the services core target consumer.

In analysing age categories, three age segments are taken into account. The first segment is composed of those respondents who were over 20 years old at the time of the 1989 Romanian revolution, born between 1943 and 1969, non-digitally (Kotler and Armstrong, 2018, pp. 97-98). The second segment is formed by those who were under 20 years of age, at the revolution time, which was born between 1970 and 1989, digitally migrants (Kotler and Armstrong, 2018, pp. 97-98). And the last segment is represented by those born after 1990, digitally natives (Kotler and Armstrong, 2018, pp. 97-98, and Çelikdemir and Tukul, 2015). Due to the establishment of the communist regime in Romania after the Second World War and the fall of the Communist regime in December 1989, the three above-mentioned Western generations overlap naturally over the generations who experienced different degrees of influence in the communist era.

In this study, we consider the non-digital generation to be the same as the generation that was born, educated and worked in communism, the generation of digital immigrants is the same as the generation of those born and educated in communism, who at the time of the revolution had a maximum of 20 years and who entered the workplace and affirmed themselves during the transition to capitalism. The latest generation, the digital generation, overlaps with those born after the revolution, which had from childhood both, digital access and access to a free press, becoming major in the moment of Romania's entry into the European Union.

We have chosen these three segments to be able to see if there are any differences between those that grow up and were adults in the communist period of time, those that were

educated in the communist period and became adults after the revolution and the ones that were born after 1989 and were not affected by the communist era. For the research a specialized software SESAME is used for descriptive statistical analyses and more complex ones, cross comparing and trend analyses for any variable in the data base.

4. Findings

With the economic growth and the development of the Romanian service sector, the level of education of the consumers increased and also their level of exigency.

The hypotheses on which the article started are that the three researched generations have different buying behaviour, and that the trends in the analysed years will have different developments between the three segments. And yet some cautiousness is in order, due to the fact that Romanians are a conservative nation and there is the possibility that the differences between the three segments not to be very significant.

In the researched period the services sector suffered complex transformations, on one side there are changes due to the financial crises and others because of the industry maturity.

First of all, these changes are at the level of respondents' perception of the banking sector, for example:

In the banking sector the consumer attitudes have registered some interesting changes. The level of trust in the banking institutions has shifted from the large banks toward the entire sector. For example, if in 2007 more than two thirds of the populations had their trust put just into the large banks, in 2018 the percentage has diminished to less than half of the population, meaning that the trust is now divided between all the participations. The trend is a declining one in all ten years despite the crises. On the other hand, Romanians have a growing preference for keeping their money in cash, which can be explained, on the one hand, by the monetary stability of this period, coming after several decades of devaluation of the national currency. In 2007, Romania knew the beginnings of a new inflationary period with only one figure after a decade of declining inflation from three figures, 155% in 1997, 46% in 1999, 35% in 2001, 15% in 2003, 9% 2005 and 4.8% in 2007.(NIS, 2018) On the other hand, with the fall in inflation, interest rates also declined, and in a certain period, the cost of keeping money in banks was higher than the yields on actual interest rates, making bank deposits no longer a way to increase the value of economies as the public was taught.

Because of the fact that bank deposits do not have attractive interests, and also, the respondents have a preference for paying cash their purchases, but the trend is decreasing from 67% in 2012 to 61% in 2018.

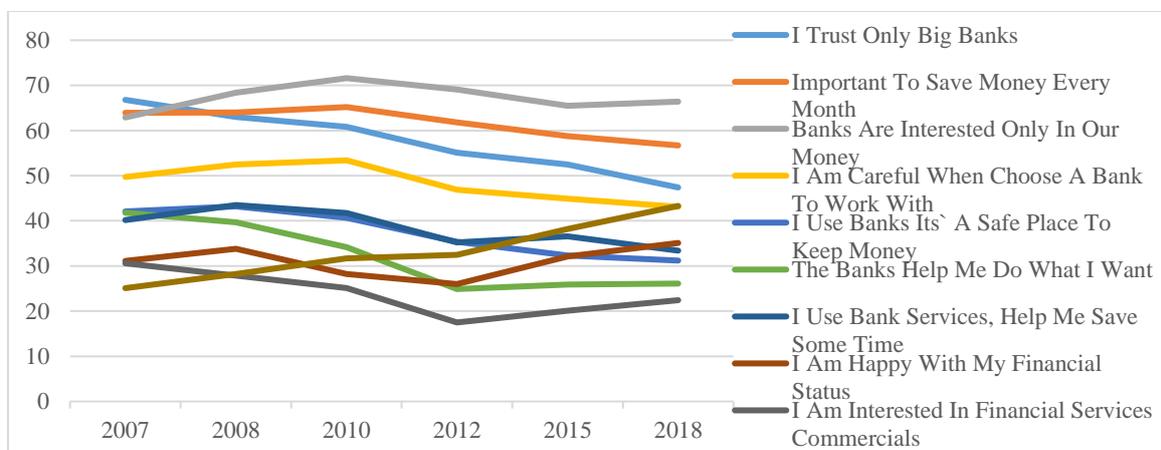


Fig. 1: Perception evolution over the financial services

Source: Authors

2012 was the turning point year, when the crisis broke down and the indicators started to grow again. This has also been seen among the Romanian public whose appetite for financial services has begun to grow again. However, the traces of the crisis make its presence felt, and now only 22% of respondents say they are interested in financial services compared to 30% when Romania joins the EU. Or, banks are seen as “helping them do what they are proposing”, the indicator has fallen from more than 40% in 2007 to less than 25%, in 2012, following a very slight increase since then. In the wake of the crisis, the overall picture of the financial industry has suffered. The statement “Banks are only interested in our money” has reached a record high of over 70% in 2010 and has since kept at more than 65%. “Banks as a safe place to keep money” have lost over 10% since 2007. An interesting trend is the continued decline in the importance of saving money monthly.

The banking sector has known a steady development despite the crisis, having a current account in lei (the national currency), increased from almost 20% in 2007 to over 37% in 2017. But the percentage of people having bank accounts is steel low so the sector is steel in development. The conclusion is sustained by the fact that in 2018 only 9% of the population has credit cards, only 3% have home loans and less than 1% have car loans and only less than 3% are using online-banking.

What is worrying is that 40% of the urban population in Romania does not use financial services, meaning, they do not have a current account, a credit card or a wage card, much less do not buy financial derivatives. Taking into account that Romania has one of the largest rural populations in Europe (over 45%), it means that the percentage is even higher at the national level. The trend is worrying because there is no sign of lowering this indicator. Among the most used financial instruments are the current account in the national currency, which has increased from 20% to over 35% in these 10 years and the salary card rises from 20 to over 25. In exchange, the deposits in lei, in foreign currency current foreign currency accounts remained stable at this time to a relatively low level, below 5% of the urban population. What is noteworthy is that the crisis did not have any visible effect on these issues, the increase in the number of people holding national currency accounts and salary cards is translated into bringing the economy to white and implying a fiscal requirement of the economy with the entry of the country in the EU.

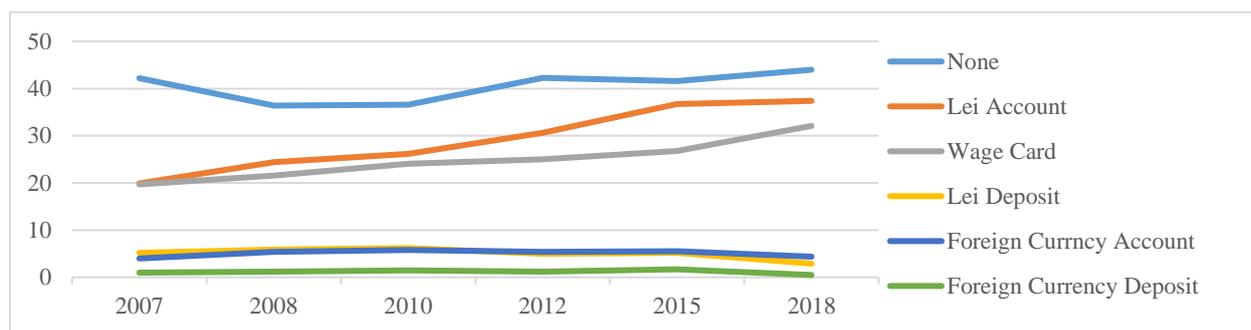


Fig. 2: Consumption evolution of the main saving instruments

Source: Authors

In terms of credits, credit card is the most important instrument, their growth stagnating during the crisis, but also a slight decline even after the crisis. Credits for personal needs have fallen vertically from 10% in 2008, before the crisis, to close to 4%. A similar trajectory also had long-term consumer loans. Here is a combination of the economic crisis and the credit restrictions imposed by the National Bank of Romania to limit the effects of bad credit in the economy. Noteworthy is the increase in house loans, especially due to government support coming through the “First Home” program with very low interest rates for people who wanted to buy a home in the conditions they did not own a property and the desired home is in a certain

price limit. This program helped restart the housing construction industry by restarting the purchase of homes.

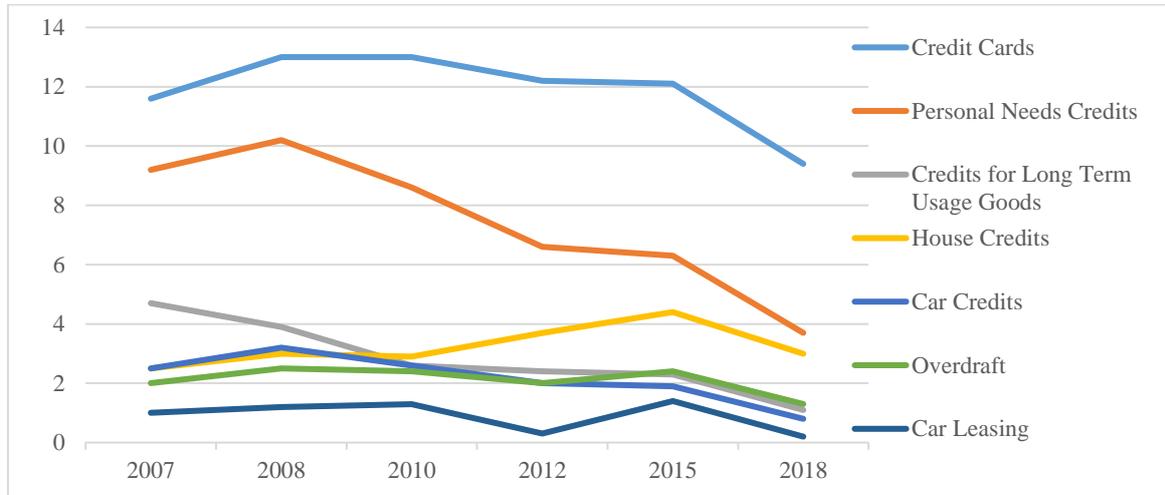


Fig. 3: Consumption evolution of the main investing financial instruments
Source: Authors

Modern financial instruments have also experienced an up and down evolution, but overall, they tend to grow, with the crisis not having a clear effect on them. Online banking has reached a usage rate of 4% while mobile banking is at just 2%, but over the use of virtual cards.

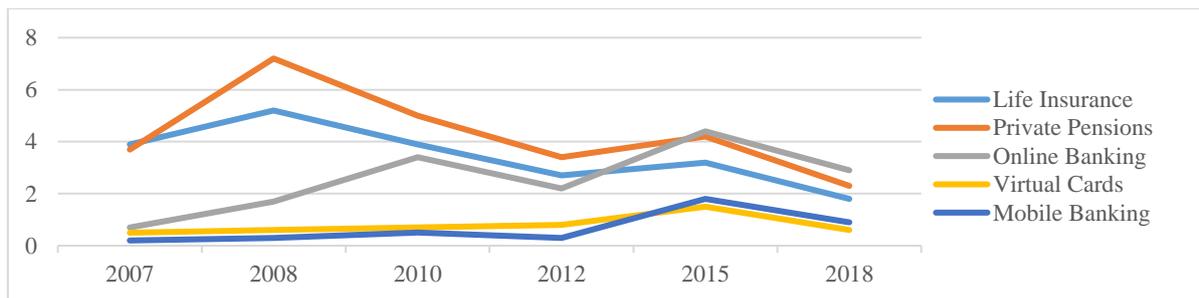


Fig. 4: Consumption evolution of the main services provided by financial entities
Source: Authors

Private pension and life insurance products suffered the most during the crisis, as compared to 2008 when they saw both growth peaks, these two products collapsed until the end of the 2012 crisis, following a slight recovery at the end of the crisis, followed by a further drop.

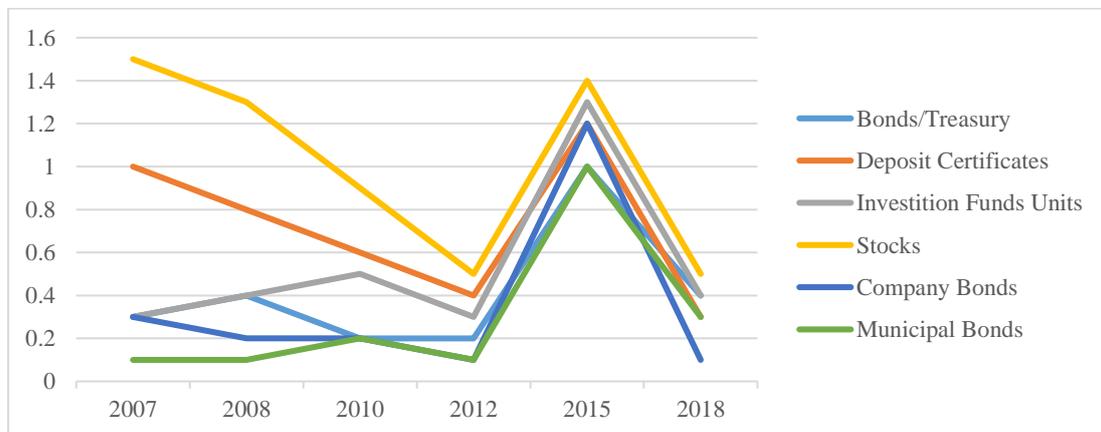


Fig. 5: Consumption evolution of the main derivate financial instruments
Source: Authors

With regard to derivative investment instruments, the crisis has had a major effect on them. Treasury/Bonds, investment fund units, shares fell sharply during the crisis followed by a strong recovery immediately after the end of the crisis. In 2017, on the basis of the political instability in Romania, these instruments known to be the most sensitive had a worrying decline, announcing a probable new financial crisis. Taking into account other economic indicators registered at the end of 2018 and the beginning of 2019, this perspective seems more and more probable.

From the point of view of the three analysed generations there are no significant attitudes differences toward the banking sector but there are significant differences when it comes to using financial instruments. In 2017 only 32% of the people born between `43 and `69 have a current account in lei, and more than 42% of the other two groups own a current account in lei.

The important criteria in choosing a banking card in 2017 are interests 43%, commissions 40% and banks` reputation, all of them suffering a constant diminish between 2007 and 2017. An interesting fact is that banks` unit network, the personal experience and friends` recommendations as choosing factors are increasing in the same period of time.

In 2017 there are some differences in the attitudes of the researched generations in regard with the criteria involving choosing a credit card, even if the main criteria are the same, the younger ones tend to put more importance in friends` recommendations 18,4%, in the employees conduct 33.2% and in the range of services provided by the bank 35.7%, then the oldest with 12.9%, 25.2% and 26.9%. The middle segment is more focused on the banks` reputation 37.7% then the other two. There aren`t some significant differences between the young and the adults in the choosing criteria.

In Romania, the insurance sector is not so well developed. More than 53% of the population declaring that they only sign out compulsory insurance. Although the believes that an insurance is very important in the occurrence of an unpleasant events. However, the agreement on this statement has fallen from 78% in 2007 to 56% in 2018.

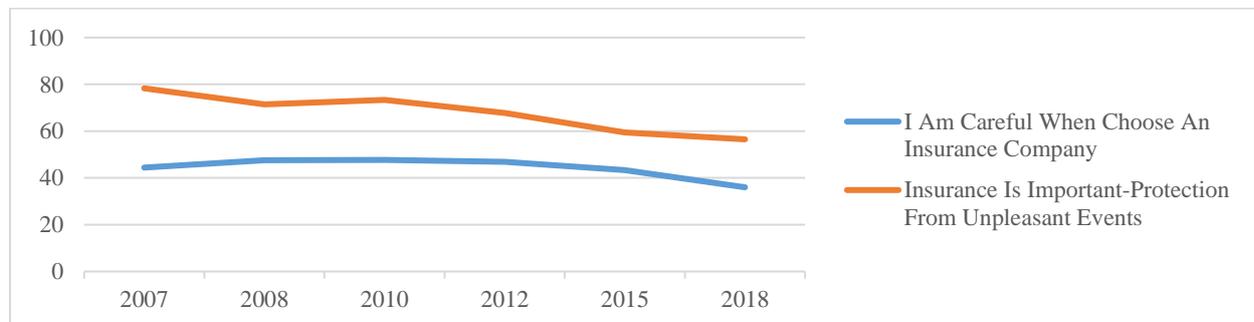


Fig. 6: Perception evolution over the insurance services

Source: Authors

A drop in insurance interest also stems from the statement that "paying attention when choosing an insurance companies" where the percentages are constantly falling from 47% in 2008 to 36% in 2017. The interest in closing different kind of insurance policies is also diminishing in the researched period of time for example for the life/health insurance from 16 % having an insurance policy in 2007 to 7% in 2018 or for accident and invalidity insurance from 3,7% having one in 2008 to 1.3% in 2018. The only insurance sector that tends to be more develop is the one insuring house and other good but not because of the consumers` personal interest but because of the mandatory regulations from 2008, but the trend is still a decreasing one manning from a total of 28% of Romanians having one in 2012 to 14% in 2018.

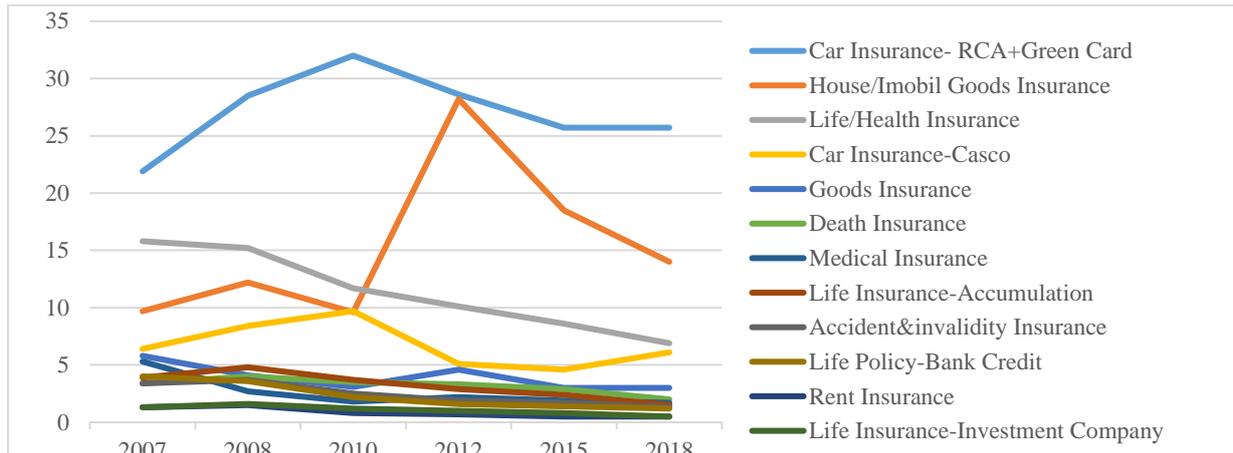


Fig. 7: Consumption evolution of the main insurance instruments

Source: Authors

The younger generation is the one being more interested in closing an insurance policy with a total of 8.1% having a life insurance comparing with 7.9% of the adults and 5.6% of the oldest generation.

In comparison with the financial sector the telecommunication sector is a highly developed one with a total of over 95% of the Romanians having at least one personal service (excepting the telephone services bought by companies which are researched separately) in 2017 increasing from a total of 78% in 2007. The attitudes towards the usage of the mobile phone services shoes a clear differentiation between the youngest analysed category and the oldest one. If more than 55% of the young generation cannot live without internet on their phones, only almost 22% of the oldest generation are saying the same thing. The degree of dependence of mobile phone addiction of the younger generation is significantly higher over 63% of them are declaring that immediately after they wake up they are verifying their phones, in comparison with only 31% of the older generation.

Just in terms of attitude, they like to have the latest model of mobile, we can say that the economic crisis had an effect. Since the beginning of the crisis until the end of her dropping from 32% to 22%, following a rebound with improving economic situation.

In terms of mobile phone services, they have developed vertiginously, showing the integration of the phone in all aspects of life from camera replacement to even the replacement of classic telephony services with Voice Over IP services.

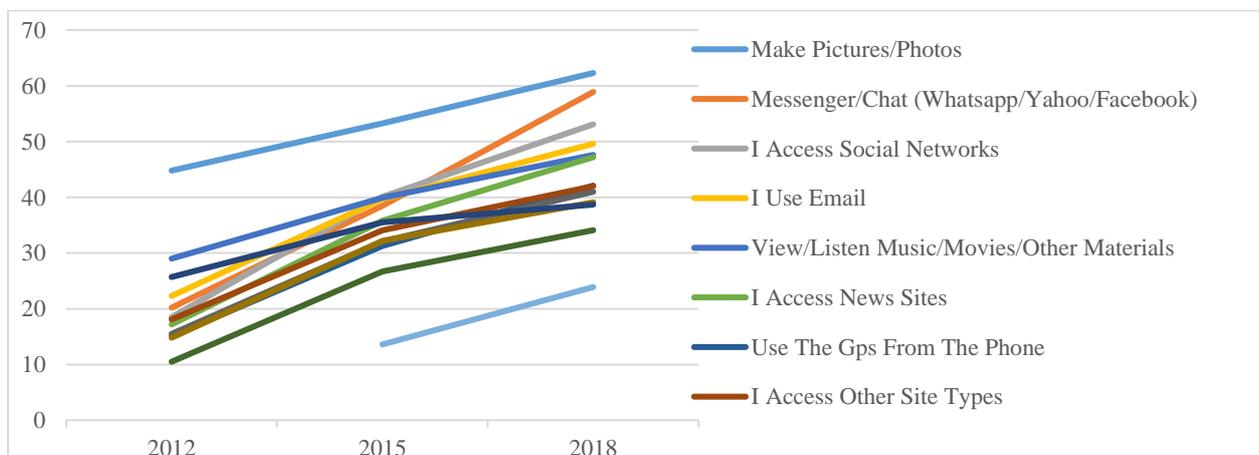


Fig. 8: Usage of mobile applications

Source: Authors

As for the postal services, they experienced a seemingly uninfluenced evolution from the crisis. Sending letters and paying bills at the counter have seen a steady decline, being likely services that are declining in terms of lifecycle due to changing social paradigm, being replaced by online communication and the emergence of new ways of online banking, automatic kiosks, etc.

There is an increasing use of parcel services, probably influenced by online commerce but also a slight decrease in money transfers, this service is highly used by those working abroad and sending home money. In 2008, more than 6 billion euros were sent to the country, the amount dropping to almost 4 billion in 2018 (Moraru, 2018), from the nearly 5 million Romanians left to work across borders.

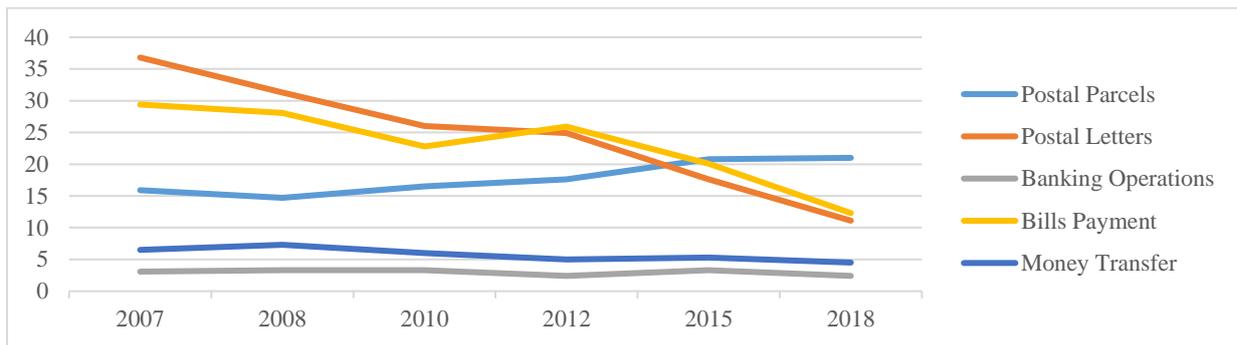


Fig. 9: Usage of main postal services

Source: Authors

Neither in medical services can be said to see the traces of the economic crisis. It is worth noting that Romanians resort to private dentistry at the expense of those in the public or pirated clinics, while medical examinations and other medical services make them in the public system closely followed by private offices and private clinics.

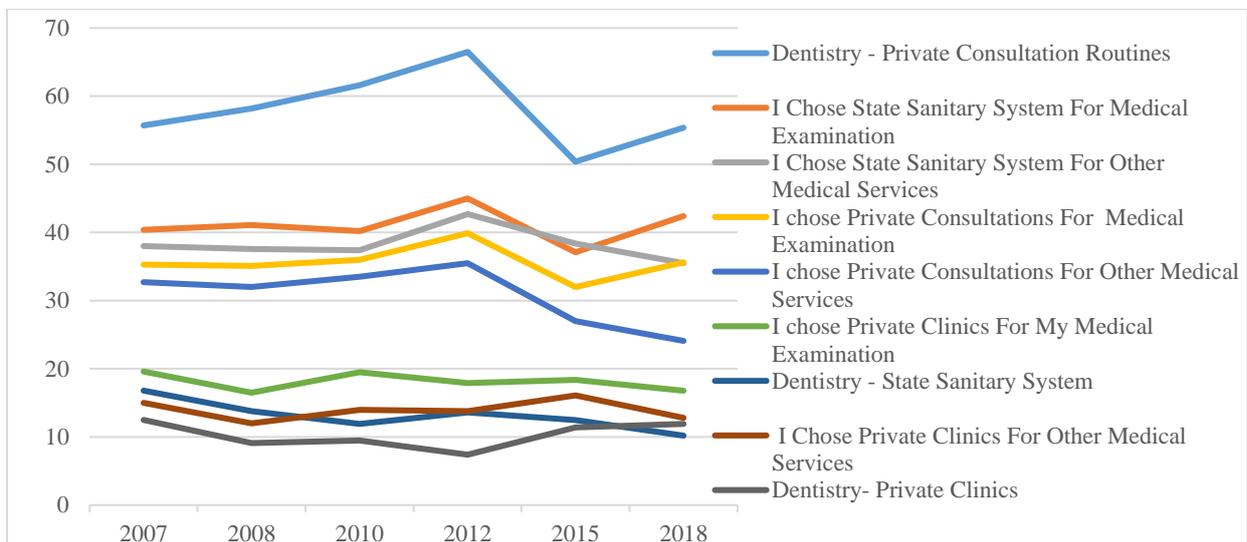


Fig. 10: Perception evolution over the main medical services

Source: Authors

And in terms of leisure and outing to cafes, barges, discos, there is an evolution in these 10 years in the service industry.

If going out for a pizza, towards the end of the crises, has fallen, reaching a bottom in 2012, it has risen up back in the next few years. All clubs and discotheques have seen a serious decline from more than 50% in 2008 to below 35% in 2018. Otherwise, spending free time in the city, cafes, bars, pubs and taverns has seen a slight increase starting with 2012, the first year

in which such data were collected. Moreover, we can see a decrease in the frequency among those who frequent these places, especially because of the crises. For example, going out for a pizza in the city has fallen from more than 3.2% to 1.2% among those who go out more than 3 times a week, from 7.4% to 4.7% among those who go out for 1-2 weeks, from 12.3% to 11.3% 1-3 times per month, and from 14.3% to 13.2% of those who go out 1-2 times every 3 months.

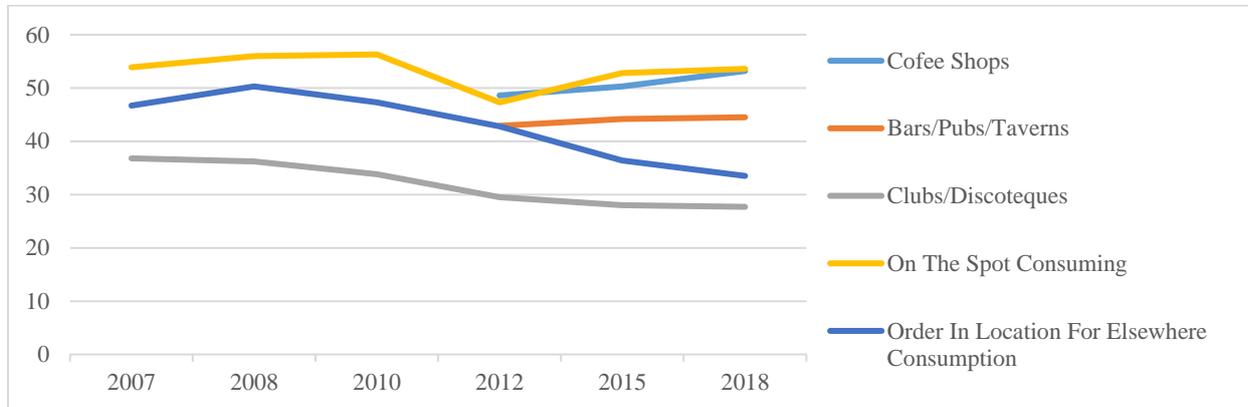


Fig. 11: Consumption evolution of the leisure time services (Source: Authors)

Source: Authors

In conclusion, it can be said that the crisis influenced the service industry, but not to the same extent. If health services were less influenced, in case of symptoms, even with diminished incomes, the world went to the doctor instead of the leisure services. It can be said the more they went worse, they started to go out in the city more rarely, or even call it quit, they have given up investing in derivatives, probably because of their earnings crash at the beginning of the crisis. They bought fewer and fewer services and changed their mobile phones more rarely but did not give up on telecommunication services, may have changed operators but only to improve the quality of service and in search of cheaper subscriptions.

Furthermore, in our research have posed the question whether in the past years since joining the European Union the hard core of service consumers has changed in some way.

That is why we have defined that as part of the hard core of financial products consumers, who own / use at least three financial instruments as follows: if they own a debit or credit card and have a bank account (in lei or foreign currency) and if they use at least one of the following financial instruments (stocks, treasury bills, insurance, bank accounts for business, overdraft, home loans, car, personal needs, long-term use, vacation, bonds, private pensions, banking). The hypothesis taken into consideration is that having a bank account, a card, and the use of any other banking financial service are self-evident for a large majority of the urban population in the European Union. The results for Romania are slightly surprising, indeed in the 10 years analysed, this tough nucleus grew by about 15% but rose from only 6.8% to 7.9%. This shows us the degree of development of the financial services market.

If were to demographically analyse this nucleus and here we had some interesting results, although we expect that as time passes, the difference between the two sexes will diminish, was notice an increase in this difference in the sense that men have a higher incidence of this group increased from 50.2% in 2007 to 51.2% in the conditions in which they represent 48.2% in Romania. of the total population.

In terms of age, the 25-54 age group has an affinity index of more than 100 (the share of the 25-54 yo population in the target group over the 25-54 yo population of the total population), indicating that there is a higher incidence of this age groups to use financial services. Interestingly, however, this affinity index falls within the age of 25-54 yo from 124 to 116, the number of people aged up to 24 years increases from 49 to 70 and that of 55-64

people increases from 71 to 89. This shows that although the two segments presented are not part of the hard core, the use of financial services equals to age groups. With regard to the last graduate school, only those with college or higher education graduates remain in the hard core, but there is also a decline in affinity for those with higher education for the financial field from 225 in 2007. This is happening on the one hand due to the increase in the incidence of those with maximum 8 or 10 classes from 28, respectively 31 in 2007 to 46 respectively 50 in 2018 and on the other hand because of the increase of the share of the population with higher education in Romania in the last 10 years, a sustained pace from 16.7% in 2007 to 22% in 2018.

High Level Employees have the highest incidence of 239 in 2007 and 185 in 2018 and Low-Level Employees are the largest group of 45% of 2007 and 39% of 2018.

Both in terms of income and the social category of Esomar, the higher categories, high incomes and AB Esomar categories have both the highest and the highest groups but the same decrease is observed here incidence that shows a democratization (the transition to all categories of population).

Regarding the views of this group, we can say that they are happy with their financial situation, they use banking services to save time, think banks are safe and help them in what they do, so pay special attention to the choice of bank. Interestingly, over the past 10 years, this affinity has grown, which means that these characteristics better define the group. From another point of view, I'm the kind of guy that keeps you up to date, they are informed people, they are reading all the time to know about what's going on, the internet is considered as essential in their work, they're careful about what products and which brands compare and are willing to pay extra to make their lives easier.

5. Conclusions and Implications

This analysis is useful in terms of correlating the level of investment growth and, implicitly, the level of service development with the exigencies of consumers in order to determine a sustainable growth of the services sector.

Even if the research is based on a commercial research, highly used by managerial teams to base their strategical and tactical decisions on, we analysed the data from a different perspective. So, the data were consolidated to better see the evolution of different services sectors, on a 10 years' period of time, from the Romania's accession to the EU until now, with a focus on the 2008 economic crises, and also a comparison between the chosen services sectors and between the selected generation segments.

We focus on two service sectors (i.e., financial and telecommunication) because they are captured in all survey's editions. Furthermore, these sectors constitute prime examples of Romania's transition from a planned economy to a service economy: after the 1989 revolution that marked the end of communism in Romania, both sectors went from state-controlled to privatized. The goal of our analysis is to (1) describe the development of consumers' attitudes towards banking and telecommunication services and (2) identify differences in consumer segments and provided services. In terms of the former, we focus on consumers who were adults (non-digitally generation), who were minors (digitally migrants) and who were not born when Romania transitioned from communism to capitalism in 1989 (digitally natives).

Firstly, our results show that different services sectors have different stages of development. While the financial crisis had a minimal impact on the telecommunication market, which during the 10 years reached a penetration rate in consumption of over 95% of the total population, population's interest in the banking tends to stagnate or even to decrease, with the crisis having a direct influence on medium term. Nearly 5 years after its completion, the indicators analysed have a downward trend. Taking into account the penetration rate of these services, which record penetration in consumption below 40% on services such as current

account and debit card, below 10% on credit card, less than 5% on household loans, personal needs loans, online banking and private pension or under 2% in insurances, a decision at the industry level is appropriate. Some of the collected data from different research modules tend to contradict. For example, in the **financial-banking module** the usage of online banking, 4%, and mobile banking, 2%, but the same services Mobile banking (as realising various banking operations, meaning it also includes mobile and online banking) when asked in the **telecommunication market** module, over 25% of the respondents are declaring that they are using that service. Knowing that one cannot use mobile banking on phones without having the services activate on their account, it can only conclude that respondents, in their majority, do not seem to understand the aspect, that they are paying an extra service to their banks to facilitate the usage of that service on their phones. If this conclusion will demonstrate in a further in-depth research, we may have a starting point on way the banking sector tends to stagnate and the mobile sector is almost reaching its full capacity. For the financial services, to be better understood by the end consumer a more elaborate financial education is needed, may be based on the easiness of using mobile applications.

Secondly, one of our hypotheses is that the 3 researched consumer segments have different behaviours in service consumption, regardless of the service type. In reality our results show that the consumer behaviour is more differently from industry to industry than from generation to generation. There are notable differences in between the 3 generations in the telecom industry then they are in the financial industry. So, our conclusions cannot be generalized on the hole services industry but on each service sector individually.

On the **telecommunication market** there are large differences in consumption between the digitally native generation and the non-digitally generation, but the digitally migrants are highly similar to the digitally natives` one.

In the **financial-banking sector** the differences between the 3 generations are insignificant suggesting that the sector is still insufficient developed.

Thirdly, the research shows that the financial crisis didn`t affect so much the consumption behaviour on the analysed markets. On the telecom market the indicators tend to have a continuous grow showing that the crisis didn`t affect so much the industry, but on the financial sector a fluctuation of the indicators it can be observed suggesting that the crisis had an effect on the industry.

A **limit** of this paper is given by the analysis software used, SESAME, through which we were unable to use the raw data collected in this research. The software widely used in the commercial domain does not have advanced statistical functions. Data as complex on the service industry is not available. Another limit of research is given by way of data leakage that does not have a balanced access to all sectors of the services industry. Most data are collected for the financial and communications sector where banks and communications service providers have invested more in collecting these data. Hospitality industry firms, for example, have not invested in this research so there are no conclusive data to analyse. From **managerial implications** point of view, two directions can be highlighted: product/service development and marketing communication.

On the telecommunication industry there are two major segments that need different approaches. The two segments are one the digitally natives` and the digitally migrants – who copied the first so much that there are no significant differences, and the second the non-digitally generation who has a totally different consumption pattern. For the first the product mix should be a highly complex and innovative one, abounding in technology. On the other hand, the second one needs a stable product mix, easily to understand and to use.

On the financial-banking market, a different approach is needed for each researched generation. The digitally natives` are highly opened in using new financial instruments, highly

based on internet access, so the products developed for them can be complex, because the generation is self-educating, integrated and easily accessed from online platforms. The digitally migrants need to be educated in using the offline and online banking facilities. On this generation, in comparison to the way they are using the telecommunication services, there is an unjustified reluctance toward having currency accounts, card payments, or using online banking platforms. They need to understand firstly the classical products like saving and investing on long term, to see the security level offered by them, and then to develop mix products, that contain shares, bonds or other types of financial products. The third generation, the non-digitally natives, needs simple and easy to understand financial products. A plus for the industry to attract their money should be an improvement of the saving facilities and having a reasonable interest on deposits.

From **marketing communication point of view**, the 3 generations should be approached in different manners. For the digitally natives the communication should be migrated in the online. They are born after the revolution and not at all affected by the communist period of time being highly similar to the rest of the digitally natives Europeans. The way they are using the technology is bonding them to the behaviour of the rest of the Europeans then the other 2 researched generations. The digitally migrants are highly complex from marketing communication point of view. They still remember the communist period of time, from their childhood, the lack of the communication channels, and they understand the power of information. They are attracted by the online but they are still consuming the classical media communication channels. This is the reason way the integrated marketing communication campaigns have a superior effect on them. The non-digitally generation is hard to be changed, because they adopted the technological development in a limited way. They prefer the classical information channels, the TV being the most important one.

As a general conclusion, the digitally natives are very similar to the same European generation, but the communist period of time left an important effect on the development of the digitally migrants' generation and the non-digitally generation, these two having different behaviour patterns from the European generations not effected by communism.

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