

DEMO-SOCIAL DETERMINANTS OF EUROPEAN CONSUMER BEHAVIOUR

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The components of demo-social macroeconomic level but especially in the continental context were decisive action on both exponents of the supply and the demand; the businessman need to know features, character and effects of these variables on the functionality they produce while the European market and national.

From the range of the demo-social components, I referred to the social classes, the reference groups, the area of residence, taking into consideration reality that these components carries on business in general, particularly on the consumer, a long-term determination so, their knowledge as fair provides managers can develop policies and strategies consistent with these conditions.

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Demo-social variables in the context of the business environment

One of the components business environment, with long-term influence on quality and its dynamics, is the social environment. Although the demo-social environment components have a slower time than other components, the system configuration and the features of the current global economy, changes occurring in European economies, the suite of financial, economic, natural environment crisis, however, and more once again motivates the businesses to take into account trends in the business environment variables.

Beyond the demographic changes recorded in the potential of countries in the world, the geographical distribution of population density, its natural movement, are significant trends in terms of social class, reference groups, family, environment residence option for European countries economy. These variables interfere with objective and subjective motivations outlining the buying and the consumer decision.

Social class, reference groups, family – between theory and reality

In recent view of the sociologists¹⁷³, the concept of **social class** highlights:

- positioned and equipped unequal social classes within the economic system;
- social class identity strongly marked by class, in terms of time, culture, community.

In general, membership of a particular class is given by individual occupation¹⁷⁴. A classification of socio-economic groups have highlighted that in group A (3%) place the upper middle class, head of household having a senior managerial, administrative, professional; group B (10%) is reserved for the middle class of family head having intermediate managerial functions, administrative or professional; C1 class (24%) and C2 (30%) are most consistent in terms of number and head of the family occupying positions below supervisory, administrative, professional, skilled labor respectively; working class is in Group D, has 25% of the population, head of the family is included in semi-specialized and non-specialized labor; the lowest level of subsistence is approx. 8% of the population and includes certain categories of pensioners, casual and unskilled labor, etc..

¹⁷³ Chauvel, Louis, Le Retour des classes sociales, Revue de l'OFCE, 2001, vol.79, issue 4, p.315-359.

¹⁷⁴ Blythe, Jim, Consumer Behavior, Uranus Publisher, 1998, p.116-117.

The social class was defined by Max Weber as the group of individuals sharing a specific causal component of their life opportunities; this component is defined by degree of ownership of property and the possibilities for the revenue and operating in the conditions of the commodity markets and labor markets. Already in the 60s the idea of disappearance of social classes, with the arguments:

- in the political – the power distribution across the entire set of population and de-structuring political behavior according to social strata;
- in the economic sphere - the tertiary sector increased the extent of which did not match any class system;
- raising living standards and consumption that leads to the disappearance of identifiable consumer segments.

Those who showed, subsequent, the disappearance of the social classes, they reasoned it this way:

- reduction of the economic and educational inequalities;
- restricting border access to consumer and to the cultural elements with increasing social mobility;
- hierarchical structure of classes in separate groups, identifiable and enforceable against, much less obvious, hence, minimize the conflicts between classes and even states of class consciousness.

The social classes have importance on economic activities, however, increased social mobility and reduced of the wealth concentration dilute the traditional boundaries between classes and reduce the cultural differences between them.

Given the large socio-professional categories - farmers, traders and small businesses, professions, employees and workers in the past 30 years, the composition of the working population analysis shows that middle and upper classes of employees grows and the number of workers decreases - in 2000 were approx. 30% of the population, compared with 40% in 1969. While the tertiary sector rather than being hierarchical, not creates an easily identifiable class system; the analysis of the workers and employees shows that employees are, structurally speaking, workers in services; in general, when considering the number of workers and employees observed that in the past 30 years is relatively stable in the active population.

The social classes create patterns of decision making¹⁷⁵. The research shows that in rich families is a trend towards the decision making by those men, while in low-income families are matriarchal tendencies manifest, the wife take financial decisions, including those related to purchasing goods and services. Middle class families are showing trends in democratic decision making.

Regarding the changes in wages, they are very important in understanding the evolution of society. After 1970 due to increased income middle class at the continent, it became an important class of economic and social environment.

Across Europe, the income situation in different countries reflect the large differences existing both between rich and poor social strata and between the developed and ex-communist.

Regarding the income distribution inequality, calculated as the ratio between the total income of 20% with highest income and total income of 20% with lowest income, the dynamic profile since 1997, the situation of our continent reflect that¹⁷⁶:

- In the year 2008, large discrepancies between income in the countries: Latvia (7,3), Romania (7), Bulgaria (6,5), Portugal (6,1), Greece, Spain, Lithuania, United Kingdom (all over 5). Polarization spectrum wealth lies not only on ex-communist countries but also on some developed EU countries.

¹⁷⁵ Blythe, Jim, Consumer Behavior, Uranus Publisher, 1998, p. 131.

¹⁷⁶ Eurostat, 17.03.2010.

- The same year, the smallest discrepancies between income levels are specific in countries: Czech Republic, Slovakia, Slovenia, Sweden (all with values below 3.5). The situation highlights the respective national economies macroeconomic options, obtaining GDP sectors of national economy, given that countries with strong tertiary sector employs a high proportion of the population in this sector and its higher income compared with countries with rates still high obtaining employment and GDP in agriculture. On these grounds we can add the different national labor productivity and, not least, the development of the country.
- In the period 1997-2008, the development of this situation has been fluctuating in all countries, none having a continuously decreasing or increasing trend over the interval.
- The level of our country is strong polarization of wealth, well above the EU average (5) and, in 2006, has increased.

Reference group is "an individual or group of individuals who significantly affect a person's behavior"¹⁷⁷. Reference groups develop standards, rules, under which consumers assess their attitudes and behavior. For example, primary groups consisting of people we see most often (family, friends and close colleagues), is usually the mouth-to-mouth communication, triggering and purchase decision of the individual, regardless of nature of demand; groups side (people who meet occasionally and with which we have some common interests) are not noticeably affect the purchasing behavior of individuals but are important for managers in terms of potential workforce, to support the common causes, etc.. Are significant for business are the groups because individual membership wishes to belong, is very powerful in influencing its behavior; in some cases, group membership is the financial aspirations of individual power. By their nature and characteristics the companies looking to set up and possibly retain individual components of the official groups like clubs or associations. The process of market segmentation and target market involves setting the implicitly groups that appeal to individuals who are in implicitly because of age, gender, culture, education, etc. ..

The entrepreneurs have the knowledge typology of the reference groups to a market level and composition of each of them to develop the market strategies and policies compatible their tastes, preferences and requirements.

Family is the most powerful group that influences the consumer decisions. In many European countries, family is defined by parents and their children although, the influences are the grandparents, aunts, uncles, cousins, too. This last option is specified the Latin countries and of Southern Europe than Northern countries where the family is independent¹⁷⁸. In Europe coexist four different family systems: liberal, authoritarian, egalitarian, nonegalitar, according bounded or not the dominant character of established links and relations values between brothers.

Regarded as the reference group, the family has several features, namely:

- direct contact between family members;
- common use;
- the subordination of individual needs;
- the purchasing agent - in the person of one family member.

Lately, Western Europe¹⁷⁹ became increasingly apparent increase in single person households; more people marry later and have fewer children and more families decide to not have children; an increased divorce rate and more increase in single parent families (Belgium has the highest divorce rate, Romania - among the lowest).

Another change in family structure that determines the buying decision process and consumption is increasing the number of couples who are not married and unmarried officiating. Such households have accelerated the dynamic. In Sweden, the households consisting of one person

¹⁷⁷ Blythe, Jim, Consumer Behavior, Uranus Publisher, 1998, p.121-124.

¹⁷⁸ Adăscăliței, Virgil, Euromarketing, Uranus Publisher, București, 2004, p.72-73.

¹⁷⁹ Catană, Gh.A., Marketing - market success philosophy, vol.I, Dacia Publisher, 2003, p.255-259.

represented since 1994, 40% of all households. Obviously, such households have special needs (smaller apartments, portions of 1-2 people, cheaper furniture, etc.), observation that no business should escape. In some countries (Netherlands, Great Britain, etc.) were adopted laws allowing marriage between homosexuals.

The involvement of women in economic and social life is a business reality of our continent; has increased the number of active women, strongly influencing family consumption - cooking is increasingly rare, is preferred food ready, increase the demand for microwave ovens and other appliances electrical change traditional roles of husband and wife in the family. Women do not cook, instead of the client are banks, auto repair shops, etc.. while men are more and more chores, go shopping, caring for children, etc..

In this context of changes in family structure, the European family financial resources have increased while time resources have decreased. Thus, the modern formulations and marketing of products aimed at concentrating purchases in a single space and minimize time purchase led to vigorous development of direct marketing.

Family adopt different roles depending on the state of purchase or consumption decision; the importance of the user occurs at the initial stage and the final purchase decision is taken in common. If the family, both parents have jobs, making the decision will probably be common. According to the investigations, families where the male partner is the only employee present trend of male dominance and those where both spouses are employed, decisions are made jointly.

Option to area of residence of people in Europe

Worldwide, the '90s have come large population movements between countries. In Europe, this phenomenon was caused by the collapse of communist countries in central and east. Phenomenon will probably continue, but most countries are more strongly protected in the wave of immigrants.

Also, another distinctive feature from one country to another, with implications for doing business, is to demarcate the urban-rural population segments. On the European continent's urban population, representing a significant market segment, with a specific pattern features buying, consumer lifestyle, etc.. has growth potential. Europe is among the most urbanized continents, having cca.75% of urban population¹⁸⁰. Over ¼ of the EU is intended to present urban use. But the differences are essential, so if in Iceland, Sweden, Netherlands, Great Britain, Denmark, Belgium, Luxembourg, Malta, the urban population in total population is high, however, in others, such as Greece, Ireland, Slovenia, Poland, Slovakia, Croatia, Romania, Bosnia-Herzegovina, Albania, Moldova, down to 60-50%. It is estimated that by 2020, approx. 80% of Europeans will live in urban areas and in the continent's 45 countries, seven of them in the urbanization ratio will be over 90%. Logical consequence is the need to increase demand for land areas affected housing, commercial premises, etc.. We are witnessing to the phenomenon of urban sprawl in Europe; the phenomenon takes place but different from one country to another, from one region to another; lead to changes of substance in lifestyles and consumption patterns on a continental scale.

Generally occurs when urban sprawl and land use conversion rate for urban population growth rate exceeds a certain area and within a certain time. Recent studies show that the area of European cities over the past decade grew by more than 5% increase, equivalent to three times the area of Luxembourg. The strongest urban expansion was observed in countries or regions with high population density and huge development - Belgium, Netherlands, Germany (south and west), Italy (north), France (Paris) and in countries with rapid economic growth - Ireland, Portugal, Germany (East), Spain (Madrid).

¹⁸⁰ European Environment Agency, Urban sprawl in Europe, Copenhagen, Report No, 10/2006.

The urban sprawl has been determined, at the level of our continent, to the regional development policies promoted at EU level - have been directed to poor regions of the EU cohesion funds and structural development and modernization of infrastructure; along with numerical growth of urban population the continent's major cities began to develop small towns and surrounding areas or rural areas more developed along the transport corridor and along coastal areas in connection with river valleys. General motivations of the escalation phenomenon among urban sprawl trends are micro and macro socio-economic: increased the quality of transport systems, increasing land prices, higher housing preferences, the demographic trends, national and European traditions, customs and the cultural, attractiveness of the urban areas, and not least, increasing population mobility in the single space. Although urbanization in general, increasing the concentration of population and economic life, accusations is, particularly on environmental quality scale, there are a number of advantages and opportunities that it creates this phenomenon; it was found that land-use and consumption different forms of energy tend to be lower in urban areas than in areas with scattered population; the urban waste management benefits of economies of scale. Most of European cities and utilities have solved problems but the risk of pollution manifested in all forms is increased - air, water, noise and, in some cases, visual pollution, are realities of this.

Another trend is the growth of two times the space for a person, compared with 50 years ago. From the '80, surface built-up areas in many countries in Western and Eastern Europe increased by 20% while population grew only by 6%. One problem that stands out is the mobility and the accessibility, such European policy makers as a key driver of Europe's territorial cohesion. Number of European street transportation miles will increase by 40% between 1995-2030. Monitoring the degree of new entrants into the EU population is not in the other; the degree of congestion of the roads but costs have risen sharply. Development of local infrastructure, national and European will continue be in attention to decision makers in regional development, regarded as the very basic premise of local economic development, regional, union. The vision of urban development that meets environmental and social considerations in territorial planning policies envisaged by obtaining positive effects: policy coherence at all stages of its progress, expanding collaboration among agencies at all levels of responsibility, efficient use of structural funds EU cohesion and related environmental regulations in order to mitigate and limit urban sprawl, minimize mistakes and market failures leading to urban sprawl, in particular, towards land and housing prices soaring, the collection and dissemination of good practice in the development of compact cities, providing green spaces in urban areas, etc..

In Romania, due to the large differences between the socioeconomic life of rural and urban population migration phenomenon continues to town. In cities there is movement toward the upper class residential suburbs, while still congested areas inhabited by popular class.

The urban population enjoys a higher income level than the rural population but the issue of economic and social disparities in the urban environment can not be ignored; however, European countries examined do not face this problem as much with other countries of the world and the analysis reflected the distribution of correlations between income inequality and other socio-economic variables. We conducted this analysis to the 27 EU countries plus Norway and Iceland (Table 1)^{181, 182}, using statistical correlation coefficient.

Tab.1.Resident population in urban income distribution and inequality in EU countries
+ Norway and Iceland

Countries	Population resident in environment	Inequality distribution income		Countries	Population resident in environment	Inequality distribution income
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¹⁸¹ World Urbanisation Prospects – The 2009 Revision, www.esa.un.org.

¹⁸² ec.europa.eu/eurostat.

	urban %			urban %	
Austria	66,5	3,7	Lithuania	66,64	5,9
Belgium	97,27	4,1	Luxembourg	83,93	4,1
Bulgaria	70,18	6,5	Malta	93,65	4
Czech Republic	73,52	3,4	Great Britain	79,04	5,6
Cyprus	69,44	4,1	Norway	77,49	3,7
Denmark	85,86	3,6	Netherlands	80,2	4
Estonia	69,4	5	Poland	61,46	5,1
Finland	83,67	3,8	Portugal	57,62	6,1
France	81,56	4,2	Romania	54,63	7
Germany	73,36	4,8	Slovakia	55,6	3,4
Greece	60,36	5,9	Slovenia	50,22	3,4
Ireland	60,48	4,5	Spain	76,72	5,4
Iceland	92,91	3,8	Sweden	84,32	3,5
Italy	67,61	5,1	Hungary	66,28	3,6
Latvia	68	7,3			

Source: www.esa.un.org and ec.europa.eu/eurostat, 2008 year

Resulted as follows:

- between the unequal distribution of income and gross value added produced in the tertiary sector (the most important and dynamic in the continent) the relationship is inverse, low intensity;
- between the unequal distribution of income and labor productivity the relationship is reversed, low intensity;
- between the unequal distribution of income and degree of urbanization of countries examined is the reverse link, average intensity (- 0.35).

Finally, those variables affect different and cumulative income inequality in the distribution of our continent; not to be missed determine which exercise the economic development of countries, quality business, quality and operability of the legal and institutional environment, macroeconomic policies of social protection but an accumulation of reasons such as personal, psychological.

Conclusions

Each of the demo-social determinants exposed here, reflects the overriding necessity to be alert to market dynamics and transformations, including duration, with reason, the idea that business should be thinking on long term; the overall market but the segment and types of consumers, must always known, especially with the lack of supervision as it can lead to action by the competition. Or competition in the European business environment is very dynamic, with accents sometimes offensive and aggressive, willing to know the smallest details of individual behavior but also the whole European market and work to attract, convince and possibly retain customer.

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