



## **Romania**

### **The Romanian consumer between values and constraints: Retrospective and outlook**

#### **Background and current status**

Looking back, it is possible to identify a number of major “milestones” that the Romanian market and its consumers have passed in their post-1989 history:

- 1998 – consumption peak for the post-1989 period, followed by a plunge that continued until 2002 (!);
- 2003 – the first year when the “record” consumption of 1998 was exceeded;
- 2003-2004 – loans (home and personal) became accessible, and the natural consequence of the exponential rise in loans in the urban areas was the increase of investments in durables (electronics & home appliances);
- 2004 – boom in the IT&C accessories and gadgets industry, continued in the subsequent years and still at very high levels at present;
- 2005 – the first year when the volume of mobile calls exceeded that of landline calls;
- 2006 – 2007 – boom in modern retail, in residential projects, double figure percentage rise in the sale of new cars, life insurance, introduction of mandatory private pension and of the system of voluntary pension;
- 2008 – the number of mobile telephone customers exceeds the total number of the Romanian population.

Romanian consumers have set off on their road to emancipation, learning what specialization means, learning to discriminate between products and brands and in the last 4-5 years have become more and more exigent with regard to the “price” of quality, more pragmatic, more interested in saving time and effort, more familiar with new technologies.

The expansion of modern retail, the launch and consolidation of the major hypermarket and discount store chains made a paramount contribution to the shaping and adaptation of the consumers’ behaviour, especially with regard to the consumption of FMCG.

- Price
- Promotions
- Brand

are the criteria applied most often when selecting products. The first two reveal the practical aspect of Romanians always looking for the best value for money. This functions very well in the FMCG category: an attractive price offer is greatly appreciated by the consumers especially in the case of a new or premium product, whilst a larger quantity for the same price or a gift attached to the purchased product are preferred in the case of familiar products that they buy regularly and have been using for a long time.

Besides the financial aspect, Romanians are also very sensitive to the image related aspects. The image that a product, and especially a brand, projects onto the buyer becomes an increasingly weighty factor, and the more "visible" the product, the more important is the image. When choosing products for consumption in the "domestic" space or together with members of the immediate group who put no status pressure on the user and don't require them to prove their personal success, the key criteria are good price compared to quality and quantity and functional and practical packaging.

When consumption situations involve stronger "exposure", the consumers choose brands that provide an aspirational and rewarding image transfer, that help them set themselves apart in a positive way and so be perceived as successful people. The importance attached to the projected "image" is even more apparent in the case of young people and finds its expression in the preference for famous brands and impacting models in the case of products that represent accessories to one's personal image: whether it is a car, mobile phone, i-Pod/MP3/MP4 player, PC or clothing, footwear and perfume.

Romanians are very much attached not only to aesthetic values, but also to factors that contribute to their personal comfort. In the hierarchy of values, care of themselves and their families is followed by their interest in the appearance and comfort of their homes and their continuous upgrading. This becomes evident not only for the high income category but also for the middle class, who are also beginning to reveal more and more interest in following the trends in interior decor and design.

## **Outlook**

The youth who have grown up in the "new social system" (i.e. have grown up after 1989) are more CRITICAL and less inclined to be unconditionally loyal to brands and/or products. They create a better shaped self-image and show more self-confidence and boldness in expressing their own ideas, having more courage to question the norms than the generations raised before 1989. The ease with which they handle information and means of communication affords them better mobility and ensures, as mentioned above, that their opinion carries greater weight with regard to the "must-have" list of a family.

The large number of Romanians working abroad has also contributed to an accelerated adoption and integration of the NEW into consumption habits, lifestyle, adopted values: people in this situation have become more responsible, more mindful of the money they earn as well as more demanding and discriminating with regard to what is offered to them. The MONEY they have brought into the country has made a key contribution not only to the increase in Romania's GDP, but also to a change in appearance, at least at the "micro" level, within the communities to which they belong.



In the context of the near future, economic growth – despite the not very optimistic economic and financial forecasts for 2008 – and the dynamics induced by the alignment with the “European state” status will result in a continuing increase in consumption for at least another couple of years, a rising trend for the purchasing power index, average salary and GDP, and a decrease in the unemployment rate. All this will result in a consolidation of the middle class, so that we will be able to talk more about how Romanians manage their earnings, what they invest in and how they plan for at least the next 5 years.

**Contact:**

Oana Mirila  
Qualitative Research Department Director  
Qualitative Research Department/Custom Research Division

**GfK Romania**

5 Fabrica de Glucoza Street  
020331 Bucharest  
Romania

Tel. +40 21 205 5500

Fax +40 21 205 5505

[oana.mirila@gfk.com](mailto:oana.mirila@gfk.com)

[www.gfk-ro.com](http://www.gfk-ro.com)