

## **IRRATIONAL CONSUMPTION – ONE OF THE DOMINANT FEATURES OF THE CURRENT BEHAVIOUR OF YOUNG PEOPLE FROM ROMANIA**

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### **Abstract**

The consumer society, which originally emerged in the last decades of the 19th century and experienced a rapid expansion in the Western world, was based on an economic and social system whose main driver of growth was the continuous stimulation of consumer demand, being well known the individual's aspiration for the continuous improvement of his own living standard. The main consequence was the transformation of consumption from a means of satisfying the material needs into a value in itself, fact which led to the emergence of a new form of culture – the consumer culture – meaning the life built mainly around consumer goods and entertainment. And because we cannot mention the consumer culture beyond its predominant value – the consumption – that has to be shared by most members of a society, we notice that the phenomenon of globalization has favored the expansion of this *modus vivendi* not only in the traditional capitalist society, but also in the countries recently out of the totalitarianism. In this context, the purpose of our work is to investigate, through an exploratory marketing research, the main features of the consumption behavior of the young generation from Romania, by observing and analyzing its rational or irrational character, which is given by the resources allocation manner in relation to the available revenues.

### **Keywords:**

consumer society, consumption culture, young generation of consumers, irrational consumption behaviour, marketing research.

### **JEL Classification:**

I30, O10, Z10, M31

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### **Introduction**

The consumer society at the apogee of its development had, as a dominant ideology, *the consumerism*, that is a doctrine in which the glorification of consumption was the supreme value. The economic life in this model of society was oriented towards the systematic encouragement of the purchase of goods in large quantities, respectively, to their exacerbated consumption. From a social point of view, cohesion was assured by promoting a lifestyle in which consumer behavior had obvious mimetic features, with people being strongly influenced, inevitable by manipulation actions conducted also by the transnational

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corporations, which are permanently in a war of conquering global markets, to consume whatever was fashionable, whatever was new and not always whatever was absolutely necessary.

Consumer capitalism has proposed, in the fullness of its expansion, not only the globalization of the production and the labour associated with the free movement of information and high technologies, but also, as expected, the globalization of the cultural ideology of consumption. In this context, the commodity that is no longer a means for satisfying the needs, it becomes a real means for the social colonization, leading to the uniformity of consumption needs and to their prompt satisfaction for all the citizens of this "global village" which is the nowadays' world.

The natural consequence of these developments was a major change of paradigm in the global society, namely that man no longer proposes models to follow, shaped under the influence of the traditional family and the values of the high culture. Nowadays, the market is the one that obviously produces the best consumption patterns and the individual has to choose between them. Although man has the illusion of its own choice of lifestyle, in reality, the strong and critical personality of man is replaced by a weak, even alienated one, very concerned about image, status and social prestige.

In order to achieve the proposed goal, the paper, structured in several sections, starts with an incursion in the scientific literature in order to identify the most relevant aspects of the current consumer society which has raised the consumption to the rank of a value itself. This section is followed by the one dedicated to the presentation of the objectives and the methodology used. The third section includes results and discussions. At the end of the paper, are briefly highlighted the conclusions of the carried out research.

### **1. The consumption – supreme value of the consumer society**

More and more, both in literature and in public discourse, consumption is no longer analyzed only from a utilitarian perspective, as a banal means of satisfying needs, but also in terms of its new valence - value in itself - which was acquired in the capitalist society of the last decades of the twentieth century.

The social context that created a framework favorable to the settlement of consumption in the hierarchy of values is that system in which material goods and their accumulation process become extremely important for individuals - *the consumer society*.

The consumer society therefore means a social and economic order based on the systematic creation and stimulation of the desire to acquire consumer goods in increasing quantities. To maintain consumption, goods are often less durable or even produced and sold in the perspective of a scheduled moral wear (Voinea and Negrea, 2016).

The consumer society can not exist without the culture of consumption. And this culture of consumption - or, in other words, life built around mass-produced goods, mass-media and malls - is a phenomenon that spreads all over the world.

The increasingly important role that consumption has in people's lives, both in developed countries and those in less developed countries, to the extent that they can afford it (because they are rather producers than consumers), can be considered the strong argument to support the idea that *consumption culture can be considered a form of culture like any other*.

If it is essential that any form of culture be defined, first of all, by a set of values shared by all its members, *consumption culture focuses on consumption, this being its central value*. Such a state of affairs is undeniable, especially when we see that a growing number of people, perhaps even the majority of the members of a society, have come to value consumption. Especially in developed societies, consumption no longer only means acquiring the strict necessity for existence, but begins to be regarded as valuable in itself.

A sine qua non condition of the existence of any form of culture is *to be shared by members of a specific society*. In the case of consumption culture, the multitude of individuals sharing

a similar value - consumption, reveals this aspect. Everywhere people are involved in the purchase of goods and the use of services. Moreover, people are surrounded by their fellow humans who display their purchased goods in any context (on the way to work or home, at work, at the table, etc.) (Ritzer, 2010).

People who value consumption are also the easiest to manipulate in the direction of consumption, whether or not they have the means to consume more. They will be determined to seek the means to allow them to consume more and more. On the other hand, this capitalization of consumption is not only observed at the level of each individual, but also at the collective level, at the level of a community or society.

On this background of excessive concern for the acquisition of goods, human society is characterized as being strongly influenced by consumerism, that consumption-related ideology, according to which most people have a strong desire for consumer goods and aspire to a life centered on this desire, having the belief that such a life will satisfy emotional needs to a much greater extent than the mere satisfaction of material needs (Holt, 2003).

The adoption of consumerism mentality as "modus vivendi" is considered a global phenomenon. This occurs even in the ranks of the poor or unemployed, because the ideology of consumerism is not limited only to those who can afford to buy consumer goods but also to those who only allow themselves to "dream" of those goods, causing people to become consumers not only in reality, but also in fantasy (Voinea și Negrea, 2016).

Equally, *consumer capitalism* has contributed to this phenomenon of value-for-money consumption. Nowadays, as capitalism no longer only involves the globalization of production and labor, but also the global spread of consumption culture, we can assert that we are witnessing the globalization of the "cultural ideology of consumption" (Ritzer, 2011).

Capitalism can no longer rely solely on production, but must focus on determining an increasing number of people to buy what is produced. Thus, in addition to the production of goods and services, *capitalism begins to be increasingly defined by the "production" of consumers and consumption culture* (Ritzer, 2010).

Consumption has come to be considered too important to be left to free choice and to the whims of consumers. They must be determined to consume and, as far as possible, in larger quantities. That is why it is essential to create, fuel and expand the consumption culture globally.

The capitalist society is organized around consumption, commodity fetishism, and goods display through which individuals gain their prestige and express their identity and status. Thus, commodities are no longer only characterized by use value and exchange value, but they also acquire a symbolic value, suggesting prestige, luxury, power, style, aspects that become an increasingly important aspect of consumption (Firat et al., 2013). The commodity has come to occupy fully the social life. Not only does the relation with the merchandise become visible, but nothing is visible outside of it: everything that is seen is its world. With the industrial revolution, the manufacturing division of labor and mass production for the world market, commodity actually appears as a power that truly colonizes the social life (Debord, 2011b).

As consumption tends to dominate morality, the notion of "consumer society" has begun to gain a pejorative connotation, becoming synonymous with modern capitalist society, where short term, image, possession and publicity gets apparently dominant values of the economic system, to the detriment of ecology and social relations (Lipovetsky, 2007).

Since the 1970s, consumer society has been increasingly virulently criticized. French sociologist and philosopher Jean Baudrillard, in his work entitled *Consumer Society*, criticizes collateral damage caused by abundance and consumption, and condemns excessive consumption because "it has become a way of responding to an imperative that

differentiates from others, taking place of moral, creating artificial social relationships and new symbols (of welfare or power associated with the accumulation of goods); and all this for the profit of corporations and in the detrimental of environment, resulting in mortgaging the future of humanity" (Baudrillard, 2008).

With all the criticisms of the mass-consuming society, paradoxically, as nations thrived, constantly new consumption desires appeared. People continued to consume, though, apparently, seemed to be needing nothing. But the more they consume, the more they want to consume. The age of abundance seems to have generated an immense appetite for consumption, so that any saturation of a need was immediately followed by the appearance of another, which subsequently materialized into a new demand.

## 2 Research Objectives and Method

The *purpose* of the present marketing research is to explore the main characteristics of the consumption behaviour observed among the young generation in Romania, by taking into account the rational or irrational nature of the spending process in relation to the income achieved.

*Research objectives* focused on the following dimensions of the problem investigated:

- To understand the socio-economic profile of young buyers by considering the amount of their monthly earnings;
- To identify the orientation towards consumerism of Romanian young people by analyzing the value of monthly consumption expenditures;
- To determine the rational or irrational character of the acquisition behaviour specific to the new generation of consumers, taking into account the gap between the incomes available and the consumption expenditures per month;
- To explain the state of financial dependence or independence among the new generation of consumers by observing the source of additional funds, in situations where consumption expenditure exceeds the monthly incomes achieved;
- To find out if there is a saving trend among the new generation of consumers, by identifying the destination that Romanian young people give to the positive difference between revenues and expenditures.

*The target population of the research* was composed of students from the Bucharest University of Economic Studies, of Romanian nationality, residing in Bucharest, both male and female, aged between 23 and 26 years old, enrolled in one of the following master programs of the Faculty of Business and Tourism: Quality Management, Expertise and Consumer Protection, Administration of Commercial Business, and Business.

The marketing study undertaken was exploratory in nature, and the applied research *method* was the *non-dissimulated observation*.

The *data collection tool* was the *Consumption Journal*, which was applied through self-administration, in November and December 2013-2017.

The Consumption Journal is a particularly useful tool in this approach, as it offers the opportunity to highlight:

- the share of each category of expenditures in the total expenditures;
- expenditure categories with the most important share in the total expenditures;
- expenditure categories with the lowest share in the total expenditures;
- the types of expenditure with the highest share within each category of expenditures; the types of expenditures with the lowest share within each category of expenditure; ;
- the ratio between monthly income and monthly expenditures;
- the propensity to save or, on the contrary, the tendency to spend the money irrationally.

The selection of a five-year period for the data collection process was aimed at identifying behavioural patterns of consumption among young Romanians, considering that the relevance of the information would have been reduced by limiting to a single calendar year, given the possible influence of conjunctural factors on consumption.

The *sample* of the research consisted of 75 people, including 15 students in each year of the study period. They were selected by simple random sampling, as follows: 11 women and 4 men in 2013; 9 women and 6 men in 2014; 10 women and 5 men in 2015; 13 women and 2 men in 2016; 11 women and 4 men in 2017.

The consumption diary was developed using the Excel spreadsheet program. The diary content included the consumption expenditures over a month, both in total value and structured by categories. Practically, people in the target group of the research were sent the excel layout of the consumption diary, and were asked to report their available monthly earnings and to record their daily spendings over four consecutive weeks.

### **3 Results and Discussion**

The data processing was done using the Excel spreadsheet program. The first stage consisted in the centralization of the information, for each year of the research period, for each of the 15 randomly selected students: the monthly income and the monthly total expenditures. Then, in order to highlight the propensity for saving or, on the contrary, the predisposition for irrational, unplanned consumption, the difference between the total monthly income and the total monthly expenditures of the respondents was also calculated. Subsequently, based on these data, it was calculated the annual averages as well as the averages for the whole period of the research.

In Tables 1 are centralized the data extracted from the consumption journals of the 15 respondents for each year of the survey period:

- In 2013, the average monthly income of the respondents was 1644.73 lei, while the total average expenditures were 1744.67 lei. Although 10 out of the 15 respondents had a lower level of the monthly expenditures than that of monthly income, stating that the surplus would be for saving, however, on average there was a deficit of 99.93 lei;
- In 2014, the average monthly income of the respondents was 1,546.67 lei, while the average monthly expenditures is 1750.53 lei. Although 8 of the 15 respondents had a lower spending than the monthly income, indicating savings as the destination of their excedent, however, on average there was a deficit of 203.87 lei.
- In 2015, the average monthly income of the respondents was 1862.33 lei, while the total average expenses was 1945.47 lei. Although 9 of the 15 respondents had a lower level of spending compared with the monthly income, indicating that the surplus would be for saving, however, on average there was a deficit of 83.13 lei;
- In 2016, the average monthly income of the respondents was 1862.33 lei, while the average monthly expenditures was 2803.07 lei. Although 8 of the 15 respondents had a lower level of spending than the monthly income, indicating that the surplus would be for saving, on average there was a deficit of 43.07 lei;
- In 2017, the average monthly income of the respondents was 2274 lei, while the total average expenses amounted to 2535,07 lei. Although 9 out of the 15 respondents had a lower spending than the monthly income, indicating that the surplus would be for saving, on average there was a deficit of 261.07 lei.

**Table 1. Summary sheet of respondents' incomes and expenditures between 2013-2017**

Years	Information	Respondents															Average
		R1	R2	R3	R4	R5	R6	R7	R8	R9	R10	R11	R12	R13	R14	R15	
2013	Gender																
	Total Income (I) (lei)	1400	2311	1700	1600	1700	1400	1500	1500	1500	2000	1360	1400	1200	2100	2000	<b>1644.73</b>
	Total expenditure (E) (lei)	862	1509	1744	1318	1619	1304	1355	1935	4555	1723	1352	1673	1731	1950	1540	<b>1744.67</b>
	The difference between I and E (lei)	538	802	-44	282	81	96	145	-435	-3055	277	8	-273	-531	150	460	<b>-99.93</b>
	The source/ the destination of the difference between I and E	savings	savings	family support	savings	savings	savings	savings	family support & previous savings	family support	savings	savings	previous savings	family support	savings	savings	
2014	Gender	f	f	f	m	m	f	m	f	f	m	f	m	m	f	f	
	Total Income (I) (lei)	1700	1000	1200	1200	3100	2000	1000	1600	1200	2000	2000	2000	250	1750	1200	<b>1546.67</b>
	Total expenditure (E) (lei)	1516	749	2432	1096	3071	2054	1128	1550	2674	1474	1750	1859	804	1495	2606	<b>1750.53</b>
	The difference between I and E (lei)	184	251	-1232	104	29	-54	-128	50	-1474	526	250	141	-554	255	-1406	<b>-203.87</b>
	The source/ the destination of the difference between I and E	savings	savings	family support	savings	savings	previous savings	family support	previous savings	family support	savings	savings	savings	family support	savings	family support	
2015	Gender	m	f	f	m	m	f	f	m	f	f	m	f	f	f	f	
	Total Income (I) (lei)	3000	2225	1500	1800	2000	1790	1500	2200	1500	1500	3000	2000	1200	1320	1400	<b>1862.33</b>
	Total expenditure (E) (lei)	2400	2124	2899	1510	3135	1450	1082	1780	1860	2056	2715	1818	1506	1457	1390	<b>1945.47</b>
	The difference between I and E (lei)	600	101	-1399	290	-1135	340	418	420	-360	-556	285	182	-306	-137	10	<b>-83.13</b>
	The source/ the destination of the difference between I and E	savings	savings	family support	savings	previous savings	savings	family support	savings	family support	savings	savings	savings	family support	family support	savings	
2016	Gender	f	f	f	f	m	f	f	m	f	f	f	f	f	f	f	
	Total Income (I) (lei)	1400	2100	2500	2500	5300	3000	4500	1150	2450	2000	2500	3500	3200	2800	2500	<b>2760.00</b>
	Total expenditure (E) (lei)	2449	1219	3476	2590	5361	3590	3014	2950	2054	1567	2250	3665	3018	2571	2272	<b>2803.07</b>
	The difference between I and E (lei)	-1049	881	-976	-90	-61	-590	1486	-1800	396	433	250	-165	182	229	228	<b>-43.07</b>
	The source/ the destination of the difference between I and E	family support	savings	previous savings	family support	family support	previous savings	savings	family support	savings	savings	savings	previous savings	savings	savings	savings	
2017	Gender	f	f	m	f	f	f	f	f	m	f	f	f	m	f	m	
	Total Income (I) (lei)	3245	1000	3000	2000	3000	3000	1800	1450	1500	2115	1600	2400	2800	2700	2500	<b>2274.00</b>
	Total expenditure (E) (lei)	4500	873	3700	1792	2985	5230	1294	3121	1865	3212	1554	2152	2300	1298	2150	<b>2535.07</b>
	The difference between I and E (lei)	-1255	127	-700	208	15	-2230	506	-1671	-365	-1097	46	248	500	1402	350	<b>-261.07</b>
	The source/ the destination of the difference between I and E	family support	savings	family support	savings	savings	previous savings	savings	family support	family support	family support	savings	savings	savings	savings	savings	

Table 2 summarizes the average monthly income, the average monthly expenditure and the average difference between monthly income and monthly expenditures for each of the five years of the research period.

**Table 2. Summary sheet of average monthly incomes and expenditures between 2013-2017**

<b>Years</b>	<b>Total Average Income (AI) (lei)</b>	<b>Total Average Expenditure (AE) (lei)</b>	<b>The difference between AI and EI (lei)</b>
2013	1644.73	1744.67	-99.93
2014	1546.67	1750.53	-203.87
2015	1862.33	1945.47	-83.13
2016	2760.00	2803.07	-43.07
2017	2274.00	2535.07	-261.07
<b>Average</b>	<b>2017.55</b>	<b>2155.76</b>	<b>-138.21</b>

As it is shown in the Table 2, for the analyzed period, there is an average income of 2017.55 lei, while the average expenditures is 2155.76 lei, which means an average deficit of 138.21 lei each month. So, taking into account the gap between the incomes available and the consumption expenditures per month, we can state first that the new generation in Romania has an obvious orientation towards consumerism.

Analyzing the data in Table 1, those related to “the source/the destination of the difference between the incomes and expenditures”, we can observe that some respondents, being in the situation where consumption expenditures exceed the monthly incomes achieved, have to ask the support of the family to cover all the expenditures, this fact clearly proving their financial dependence. Although more than a half of the respondents in each year of the analyzed period had a lower spending than the monthly income, fact that could indicate somehow a saving trend among the new generation of consumers, on average there was a negative difference between revenues and expenditures.

Based on the above claims, we can state that the new generation of Romanian consumers has an obvious irrational consumption behavior, thus considering to be achieved the main aim of our paper.

**Conclusions**

In the contemporary capitalist society, the economic system tends to have as the defining coordinates the image of the consumer, created and encouraged by the aggressive and sometimes manipulative advertising of the big transnational companies, the unexpired and not always necessary possession of foodstuff and the short term of their use. The main purpose of this economic model is the maximization of profits and, in this respect, many times, perishable or deliberately restricted life-cycle products are launched on the market, which must be consumed quickly or get out of the trend quickly. The principle of action of these multinational companies is that of the prompt saturation of a created or induced need, because it must make space for the emergence of another one, which, in turn, further manifested as a demand, can be satisfied by a new range of foodstuff.

Today's consumer, less inclined to the values of high culture and more influenced by the new dominant morality in society, which promotes the excessive consumption of goods as the main way of differentiation from the others, builds its own identity artificially within a social system with profound alienation tendencies. In such a system, the imaginary, the entertainment and the abundance of goods that must be acquired and consumed, tend to satisfy the emotional needs, but at the same time colliding with what should be the ethical consumption, that is respect for ecology and for the future of humanity.

Regarding the main characteristics of the consumption behavior of the Romanian youth, as revealed by our research for the analyzed period and extensively explained in the previous section, these are the following:

- an average monthly deficit of 138.21 lei between the average income of the respondents income, which was 2017.55 lei, and that of the expenditures, which represented 2155.76 lei;
- the existence of a state of financial dependence of young people towards the family, in about 50% of cases, when their monthly incomes are exceeded by the expenditures;
- a clear inclination towards irrational consumption of the young generation in Romania, which means that the purpose and objectives of our work have been achieved.

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