

Enduring Changes and Digitalization in Consumption after 2020 – Evidence from Bulgaria

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Abstract: Starting from the beginning of 2020, numerous changes in the consumer behavior have been observed by researchers and practitioners in the marketing sphere. There is an essential need in marketing and communications to distinguish short-term trends in consumption and digitalization from those that have the potential to endure and evolve. This paper presents the results from an empirical study on the changes in the behaviour of Bulgarian consumers and aims to provide a broader initial view of the emerging patterns in consumption in Bulgaria as a result of the pandemic.

Key words: consumer spending, consumer behavior, digitalization, pandemic crisis

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Introduction

The unprecedented COVID-19 pandemic has influenced and continues to influence various aspects of consumers' everyday life. The pandemic has undoubtedly boosted vast changes in the ICT infrastructure and thus presented consumers with numerous opportunities to quickly adopt necessary behavioral changes, predetermined by the outburst of the COVID-19 pandemic. Another aspect of the change is also the company's perspective. In order to react to the rapidly changing environments companies have to tailor new communication approaches so as to reach new and existing customers. This calls

for a deeper understating of the shifting consumption patterns in the new reality.

In this article we attempt to outline enduring changes in consumer behavior of Bulgarian consumers and to shed light on the relation between those changes and the accelerated digitization processes resulting from the pandemic. The current research study is also motivated by the insufficient information about the nature of the changes the Bulgarian market went through as a result of the pandemic. Limitations of the research are its geographical coverage, the number of respondents in the field research and the available data in the area.

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Literature review

The COVID-19 pandemic has had a significant impact on consumer behaviour and different consumption patterns over the last few years. Scholars and scientists from diverse fields have studied and analysed the current effect and estimated the future changes in behaviour resulting from this global crisis. However still dynamic, some after-effects of the pandemic and its implications are already visible and thus, analysed.

The crisis of COVID-19 can be divided in a few stages which relate to different behavioural responses by consumers. At the beginning of the pandemic, consumers were focused on self-protective health actions (Rayburn et al. 2021; Vally, 2020; Timpka et al., 2014) and were putting great emphasis on hygiene, disinfection of products and social distancing measures (Rayburn et al. 2021; Vally, 2020; Timpka et al., 2014; Seale et al., 2009). Researchers found that people bought less frequently, thus lowering the number of their physical visits to stores, and many consumers started buying from smaller retail shops to avoid crowds in bigger stores (Cruz-Cardenas et al., 2021). Driven by fear of scarcity (Islam et al., 2021) and personal well-being consumers tend to turn towards reactions such as hoarding behaviours and panic purchasing (Rayburn et al. 2021).

Furthermore, consumers became more conscious when it comes to their spending behaviour. Different research studies show that during financial crises people tend to be more frugal and more fiscally responsible as consumers focus more on their needs, rather than wants (Rayburn et al. 2021; Sarmiento et al., 2019; Alonso et al., 2017), which also applied to the current pandemic. However, consumers are searching for a sense of normalcy and continue to buy even during the crisis (Rayburn et al. 2021). In the more recent stage of the crisis, as measures are lighter and restrictions are being lifted, researchers

recognize two different groups of consumers – the ones that have accepted and continued to live and buy by the "new normal" standards and the ones that have already returned to their old habits and purchasing behaviours from before the pandemic (Rayburn et al. 2021).

Furthermore, other researchers have found that the COVID-19 pandemic had an enormous effect when it comes to the technological development and consumer usage of devices, online services, and social media platforms (Cruz-Cardenas et al., 2021). Consumers were searching for all types of information more and more via the Internet and were influenced a lot by social media platforms as the latter had a double effect. On one hand, social media to some extent fuelled panic behaviour and stockpiling, however on the other hand, it stimulated the usage of online transactions, apps, etc., and thus, limited the spread of the virus and presented safe non-physical purchasing possibilities. (Cruz-Cardenas et al., 2021; Liu et al., 2021; Troise et al., 2021; Koch et al., 2020). Moreover, the digitalization of processes and online buying possibilities became essential as consumers experienced significant shifts in their ways of interacting, living and buying. Digital means of purchase were extended to product categories that were not typically bought online before, such as food, beverages, and cleaning/disinfection supplies (Cruz-Cardenas et al., 2021). In addition, as consumers were spending less on industries like more expensive entertainment such as travel and physical events (Ellison et al., 2021; Skare et al., 2021; Antonides and van Leeuwen, 2020; Seiler, 2020;), they were spending more on digital analogues like streaming and entertainment services (Madnani et al., 2020).

The COVID-19 pandemic also had a two-fold effect when it comes to environmental impact. On one side, there was less food waste and heightened environmental consciousness.

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On the other side, higher health concerns increased the usage of disposable protective items and packaging materials used for the distribution of online purchasing. (Cruz-Cardenas et al., 2021; Vanapalli et al., 2021).

Methodology

The research goal of the study was to gain initial understanding of the enduring changes that took place in the behavior of Bulgarian consumers and to outline behavioral patterns emerging as a result of the COVID-19 pandemic. A quota sampling approach was adopted for its low cost and its ability to effectively represent the population of interest. The quotas were based on gender and age and were weighted according to data from the recently published National Census in order to achieve accurate representation of the population of interest. Data was collected through an online survey. In order to overcome potential self-selection bias to prevent unauthentic participants from being recruited (IM & CHEE, 2011), we appointed 20 research collaborators who had to contact 20 respondents each, to complete the estimated quotas. Respondents were contacted via phone first and were asked to complete the online survey. The gender and age composition of the sample was monitored during the recruitment phase. The final sample consisted of 407 respondents between the ages of 18 and 70 years. The questionnaire comprised 20 statements measured on 5-point Agree-Disagree Likert scales which addressed various behaviors that are known from previous research to be most likely influenced by the pandemic such as shopping online, cooking at home, spending less on clothing and footwear, etc. Another set of nine variables aimed to establish the consumption of which product and service categories are most affected by the pandemic.

Results and discussion

Key behaviours that have been affected by the pandemic

The three key consumer behaviours that have been identified as most affected because of the pandemic are 1) those related to spending time at home; 2) those related to the adoption of digital technologies; 3) those related to spending and saving money.

Spending more time at home

The results from the study show that the behaviours people practice at home have been significantly altered by the pandemic. 63.2% of the respondents report that they have started cooking more and 54.8% of the respondents are throwing away less food and these behaviours have persisted. The two variables related to these behaviours were found to be also moderately and significantly related ($p < 0.0001$). Naturally, the pandemic has affected the way homes are being maintained as 53.7% of the respondents have started cleaning and sanitizing their homes more often. Resorting to cheap entertainment is also common as 47.6% of the respondents have started watching more television. 44.4% practice hobbies at home more frequently since the beginning of the pandemic and more than a third (35.2%) started exercising more at home. It seems that respondents have found new meaning and ways to enjoy the time spent at home as practicing new hobbies is moderately and significantly related other variables ($p < 0.0001$) such as those related to cooking at home, exercising at home and performing more tasks from a distance.

Digitalization and adopting digital technologies

One of the most pronounced changes regarding the adoption of digital technologies is the increased usage of debit/credit cards as a payment method. Almost two thirds of the respondents (61.9%) report that they started

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using credit/debit cards more. The adoption of cashless payment methods has been sluggish in Bulgaria compared to other European countries. However, the pandemic has permanently changed Bulgarians' payment habits and preferences as established by another recent survey by Sapio Research (2022) which found that 52% of the Bulgarians now pay less in cash compared to two years before and now Bulgarians use their debit cards considerably more often than respondents in other western European countries such as Britain, Germany, Italy and Austria (Sapio Research, 2022). The majority of the respondents (55%) in our study also have started performing more tasks from a distance (by phone or by computer) and became heavier social media users in the course of the pandemic, in order to maintain contact with friends and relatives. Almost half of respondents (47.9%) started shopping online more as compared to the period before the pandemic which is one of the most salient ways in which the pandemic has affected consumers worldwide. There is a defined group of respondents who employed digitalization as a response to the pandemic. Significant and moderate relationships are observed between the variables addressing the adoption of digital technologies such as "I started using debit/credit card more", "I perform more tasks from a distance" and "I shop online more frequently" ($p < 0.0001$). These behaviours also seem to be significantly and moderately related to trying out new products and services ($p < 0.0001$).

Reducing consumption

The results from the study show that the shopping and spending behaviours of respondents have been changed in a myriad of ways in the course of the pandemic. It seems that the main shift in the consumption habits of respondents relates more to reducing consumption than to downshifting. Almost half of the respondents (46.8%) are now

spending less money on clothing and footwear than before the pandemic which is a natural consequence of the transition towards remote work. 44.4% of the participants now travel less than before and 40.2% have decreased their use of in-person services such as hairdressers, cosmeticians, technicians, etc. 46.3% report they now attend cinemas, theatres, concerts and the like, less often. Therefore, it is no surprise that 43.9% declare that they are saving more money now. Disruptive events are known to trigger changes in consumer behaviour as a result of the changing lifestyles of consumers (Chiu et al., 2020). However, it is not clear whether these behavioural changes are related to frugality adopted during the pandemic, to newly established social distancing habits or are also influenced by the currently worsening economic conditions and respondents' negative expectations about the future. The results from our study show that large proportions of respondents have adopted new behaviours too – 41.8% started using brands and products that they have not used before the pandemic and 46.8% started using new services as a result. A third of the respondents (33.1%) share that they have enrolled in a new educational course or a program. Another interesting theme that emerged was related to charitable giving and environmental concern – 54.8% of all respondents report that they feel more concerned about the environment now and more than a third (35.2%) started donating more than before the pandemic. We found moderate and significant relationship between the variables addressing charitable giving and environmental concern ($p < 0.0001$).

Product categories where consumers have increased their consumption

The product category where respondents report the largest increase in consumption is mobile application with 41.8% saying they now use various mobile applications more often and more than a fifth (20.6%) of the

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respondents have subscribed to more paid online services. Becoming more health-conscious is a logical consequence of surviving a pandemic as a significant proportion of the respondents (37.3%) are now taking more food supplements such as vitamins and nutrients compared to the period before the pandemic and almost a third (32.3%) are consuming more healthy foods than before. 25.4% of respondents increased their purchases of laundry detergents and cleaning products which is expected considering the fact that the majority of respondents stated that they are sanitizing their homes more often than before and these variables are significantly and moderately related too ($p < 0.0001$). In other product categories, respondents report less changes – only 13.8% of them have increased their alcohol consumption and only 9.5% report that they are now buying more products for kids.

Discussion and conclusions

Focusing on the interpretation of the results achieved, it could be stated that there different types of changes in the behaviour of Bulgarian consumers took place, and they could hardly be structured into groups based on types of goods or activities. On one hand, there are products and services, which had peaks in consumption during the pandemic crisis, but in terms of influence on the consumer behaviour in general – they do not have significance.

On the other hand, we identify that some categories and behaviours have the potential to last longer, or in other words, to be enduring. Presumably, they may be the ones with the highest numbers of people who adopted them – increasing consumption of digital services and mobile applications, cashless payments, reducing consumption of products and services related to the old dynamics of life, including clothes and travel services. But more importantly, it could be stated, that the changes in the behaviour that

have a potential to be persistent, are related to the conveniences discovered by customers and benefits of the new ways of life, which, unfortunately, were found out the hard way.

Moreover, the results of our study identified two main coping strategies which consumers have adopted and which are likely to persist in view of the worsening economic crisis.

Reducing consumption emerges as an overarching motive in the results from our study. Consumers are spending less on groceries, clothes and accessories, they are saving more and switching from expensive to cheaper entertainment, including at home. This could also be a result of changes in the lifestyle of consumers, but new behaviours related to those product categories, may evolve into habits and new lifestyles.

Trying out new products and services appears as another important response to the crisis. This could be due to consumers no longer being able to afford their usual repertoire of brands it might be due to the disruptive nature of the pandemic which has triggered significant changes in both consumers' behaviour and companies' communication strategies. The large number of respondents reporting that they are trying new products and services might be a call to marketers to re-evaluate their loyalty strategies.

The results from the study provided an initial view of the important changes in consumer behaviour of Bulgarian consumers a result of the pandemic. The evidence presented in this paper might serve as a reference for the development and adaptation of marketing strategies for products and services such as FMCG, travel services, durable goods and digital products. It is evident that some of the behaviours will never go return to their pre-pandemic levels and others would evolve to form new norms in consumer behaviour, both of which trends marketers must take into account.

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