

## A STUDY OF CONSUMER BEHAVIOUR IN PURCHASING FOODSTUFFS: A CASE STUDY OF SOFIA, BULGARIA

**Borislav ATANASOV**

University of National and World Economy, Bulgaria Sofia 1700, Studentski grad,  
Email: batanasov@unwe.bg

*Corresponding author:* atanasov.borislav@abv.bg

### **Abstract**

*Traditionally, foodstuffs are included in the consumer basket of households. Statistics for recent years reveals an upward trend in the market of fast-moving consumer goods in Bulgaria. The growth in the number of retail outlets and in the number of fast-moving consumer goods in particular poses challenges to retail chains. The entry of foreign chains for consumer goods on the Bulgarian market as well as the variety of their product and brand supply result in intensified competition between them. The desire for increased market share is a prerequisite to providing higher value to end consumers through the elements of a commercial product which ensure competitive advantages. In order to establish the key (motivational) factors in the purchase process related to foodstuffs, a questionnaire was developed and a quantitative survey was conducted based on the method of the structured personal interview. The survey also shows the frequency of purchasing various groups of foodstuffs, the degree of purchase planning, the impact of reference groups on the purchasing process through one-dimensional frequency distributions.*

**Key words:** consumer behaviour, foodstuffs, Bulgaria

### **INTRODUCTION**

Each purchase is aimed to satisfy a certain set of needs and at the same time is a deeply emotional consumer experience, a reaction to consumer striving for needs and desires satisfaction.

Consumer needs are a dynamic category which reflects the development of society, production and commerce. They are the starting point of any production and commercial activity. With the development of society and technology, needs improve, become more diversified and change. The share of fast-moving goods in the structure of consumption, household spending on such goods, the influence of factors differing in their impact and degree in terms of the purchasing process, naturally lead to the study of consumer attitudes to the elements of a commercial product as well as to establishing the key factors determining consumer behaviour in the purchasing process of fast-moving consumer goods.

Consumer needs are satisfied through the goods and services offered by trade organizations (companies). On the other hand, the realization of sales is impossible without

knowledge of consumer purchase behaviour. Consumer behaviour is part of overall human behaviour, but it is focused on the sphere of consumption [22, 2]. It is expressed in the consumer process of searching, buying and using goods [18]. It involves the processes in which the end consumer [2], each household or group chooses, buys and uses goods or services in order to satisfy their needs and desires [23]. A sequence of actions is implemented, divided into three stages: a purchase decision, a purchase, a purchase period of goods use [1] and an answer to the following questions is sought: What do consumers buy?; How much do they buy?; Who makes the purchase?; Why and where is a purchase made? [16].

Therefore, consumer behaviour in purchasing is a mental process related to the conditions under which a purchase is made; a physical process in terms of the place of purchase; a dynamic process of interaction and exchange of information between companies and consumers. Consumer behaviour is not constant. It changes depending on the changes in the market situation, on the opinions consumers exchange, on the novelties in product offering and, respectively, under the

influence of various factors that differ in impact degree and significance. The factors influencing consumer choice are characterized by multiplicity and variety. They form a complex system of interrelated and interdependent elements. They have different significance and degree of impact depending on the particular market situation and the particular consumer need. Demographic factors are a starting point in the process of purchase decision-making [10]. Consumer lifestyle and social status are crucial as well [24]. Alongside are revealed the degree of consumer involvement in the purchase process and the availability of goods supply, situational impact (physical environment, social environment, time perspectives, choice of place for purchase and previous influences) [19], impact of the elements of the marketing mix [3], referent groups impact, family [7].

Goods are divided into two main groups: for personal and investment purposes. Goods for personal purposes are for long-term and for short-term use. Fast-moving consumer goods are used to meet personal and/or collective needs within a household or a family. They mostly satisfy the basic needs in the hierarchy of needs of Maslow's pyramid. Unlike goods for long-term use which are **used** repeatedly within their useful period (determined by the manufacturer based on the warranty period or by the trader through the provided commercial warranty), fast-moving consumer goods are **consumed** once (at once) for food and in parts for non-food. They are characterised by a great frequency of demand and are purchased daily and/or weekly [4]. They have fast turnaround in terms of demand and consumption [25] and a relatively short shelf life [12]. They are intended for individual as well as for collective consumption within a household or a family [8]. They are bought frequently, with minimal effort and low consumer involvement in the purchase process [17]. Fast-moving consumer goods include foodstuffs and part of non-food groceries for short-term use (toiletries, cosmetic products, detergents, pharmaceuticals) [5, 15, 21].

According to the European classification NACE Rev. 2 [26] amended by Regulation

1893/2006 and harmonised in Bulgarian practice, retail trade in specialised shops for food, beverages and tobacco includes the following groups of food products:

- Meat and meat products;
- Fish, fish products, crustaceans and molluscs;
- Bread, baked foods and confectionery;
- Sweets;
- Dairy products;
- Eggs;
- Cooking oils and fats;
- Fresh fruit and vegetable;
- Processed fruits and vegetables;
- Coffee, tea, cocoa and spices;
- Non-alcoholic beverages, mineral and other bottled waters;
- Alcoholic beverages;
- Tobacco products.

The survey did not include purchases of eggs and tobacco products.

## MATERIALS AND METHODS

The main objective of the study was to establish the major factors in consumer behaviour in terms of purchasing foodstuffs in Bulgaria. A quantitative survey based on the structured personal interview (face-to-face) was conducted in 2018 in Sofia for it is a capital city and has the largest population in Bulgaria (in 2011 17,7%, and in the beginning of 2018 19% of the Bulgarian population was concentrated in the capital) according to the National Statistical Institute [20]. The survey was conducted on different days of the week and at different times of the day near the outlets of big chains for fast-moving goods chains in order to cover a diverse consumer aggregate. The survey does not include brand differences within commodity groups. To determine the sample volume we use the most conservative possible estimate of the relative share in the overall aggregate  $\pi$ . It is the result of the assumption that  $p=q=0,5$ . We assume that the maximum error in such surveys is 0,05 with a guarantee probability of 0.95.

To calculate the sample volume we use the formula [13]:

$$n = \frac{z^2 \pi (1 - \pi)}{E^2} = \frac{z^2 p (1 - p)}{E^2},$$

where:

$n$  – sample volume;

$z$  – guarantee multiplier (its value is assumed to be 1.96)

$\pi$  – the most conservative estimate of the relative share in the overall aggregate;

$E$  – the maximum permissible error;

Using the above formula it is established that the sample volume is:

$$n = \frac{z^2 \pi (1 - \pi)}{E^2} = \frac{z^2 p (1 - p)}{E^2} = \frac{1.96^2 \cdot 0.5 (1 - 0.5)}{0.05^2} = 384 \text{ respondents.}$$

In order to achieve sustainability of the survey results, the sample includes 600 respondents.

The statistical data were processed with the SPSS statistical programme. Based on the data processing and to identify the key factors in purchasing we used one-dimensional frequency distributions such as purchase frequency; factors influencing consumer choice; favourite day for shopping; referent groups influence; degree of purchase planning; involvement of other people in the purchase process.

By demographic characteristics the distribution of consumers buying fast-moving foodstuffs for their household is as follows:

*According to employment status:* 70% employed, 27% retired, 2% students, 1% unemployed;

*According to educational degree:* 62% graduates, 30% with secondary education, 8% with college education;

*According to marital status:* 54% married, 29% single; 17% living together in cohabitation;

*According to household size:* one-person (16%), two-person (28%), three-person (35%), four-person (19%), bigger than four-person (2%);

*According to household monthly income:* up to 500 lv. (8%), from 501 to 1,000 lv. (22%), from 1,001 to 1,500 lv. (32%), from 1,501 to 2,000 lv. (24%), from 2,001 to 2,500 lv. (8%), from 2,501 to 3,000 lv. (3%), over 3,000 lv. (3%). (1 EUR = 1.95583 BGN);

*According to age:* up to 25 years old (7%), from 26 to 35 years old (18%), from 36 to 45 years old (27%), from 46 to 55 years old

(25%), from 56 to 65 years old (18%), over 65 years old (5%);

*According to gender:* 49% men, 51% women.

## RESULTS AND DISCUSSIONS

The frequency of purchase of foodstuffs is due to their nature as essential goods as well as to the impossibility to store them for a long time because of their relatively short shelf life (Fig. 1).

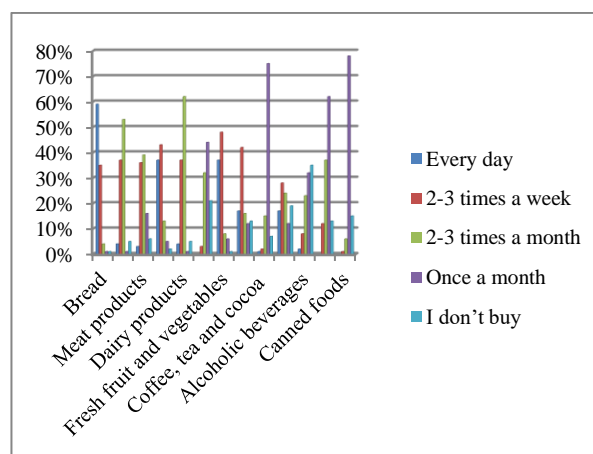


Fig. 1. Frequency of purchase of foodstuffs  
 Source: Author's own research.

As an essential commodity, bread has a relatively large share in the structure of household consumption. Survey results show that over 60% of the respondents make purchases every day. Milk is also an essential commodity and has a large relative share in the structure of consumption. 33% of the respondents buy milk for their household every day. On average, 47% of the respondents buy milk every other day (two to three times a week). Most often, dairy products are bought two to three times a month (for over 60% of the respondents), followed by two to three times a week (37% of the consumers surveyed). Over 50% of the respondents make purchases of different kinds of fresh and chilled meat two to three times a month, followed by two to three times a week (38%). The different kinds of meat products (sausages and minced meat) have a frequency of purchase mostly two to three times a month (38%) and two to three times a week (35%). Most often, the different kinds of vegetable fats are bought once a month (42%). A similar

frequency of purchase is that of the goods used for the preparation of different kinds of hot drinks (bought once a month by 73%), fish and fish products (bought once a month by 61%) and tinned food (bought once a month by 76% of the respondents). With regard to fresh fruit and vegetables and confectionery, the highest frequency of purchase is two or three times a week and is respectively 48% and 41% of the respondents. Most often, non-alcoholic beverages are bought two to three times a week (28%) and two to three times a month (23%), whereas most often alcoholic beverages are bought once a month (32%), with a large share of the consumers who do not buy alcoholic beverages (34%). It should be noted that the frequency of purchase for the different types of product groups depends on the weight or net content in their packaging, household size, household disposable income and the prices of the goods as well. According to the National Statistical Institute of Bulgaria, compared to 2017 the consumer price index of food and non-alcoholic beverages for 2018 is 2.7, i.e. prices increased by 2.7% [11]. The analysis of the survey results shows that 36% of the households spend up to 300 lv. of their budget on foodstuffs, 39% spend between 301 and 500 lv., and 25% - over 500 lv. Based on the survey results, the key factors determining a purchase are (Fig.2) the quality and shelf life of the goods (20%), price (18%), special offers (13%), assortment variety of products and brands (12%), a possibility to use customer loyalty cards giving the right to price reductions (9%), location (9%).

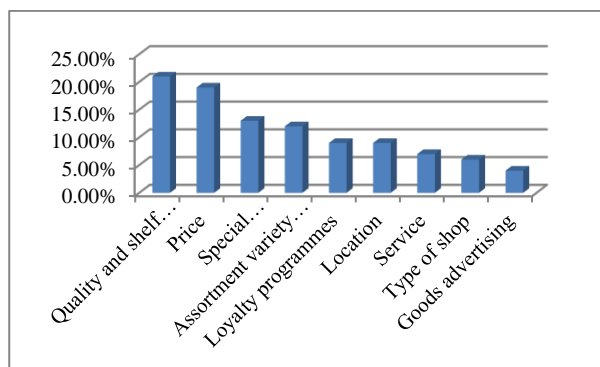


Fig. 2. Key factors for the purchase of foodstuffs  
 Source: Author's own research.

The days for purchase are in accordance with the identified characteristics of fast-moving foodstuffs (high frequency of demand, bought daily with minimum effort and low consumer involvement in the purchase process, with a relatively short shelf life): over 40% of the consumers surveyed make purchases both on weekdays and weekends, 27% of the respondents make purchases on weekends only and 32% make purchases on weekdays only (Fig. 3).

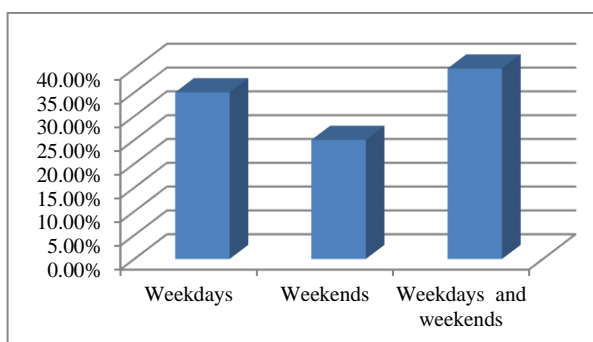


Fig. 3. Favourite days for purchase of foodstuffs  
 Source: Author's own research.

The degree of planning depends on the degree of consumer involvement in the purchase process. When buying fast-moving goods, we observe low consumer involvement (frequent, recurrent, periodic purchases of goods, for which there are no significant differences between brands) [6]. Based on this, it is possible to distinguish planned, semi-planned and impulsive purchase behaviour and, respectively, impulsive buyers and buyers planning partially [9]. Survey results reveal that 22% of the consumers plan ahead what to buy and which brand to choose.

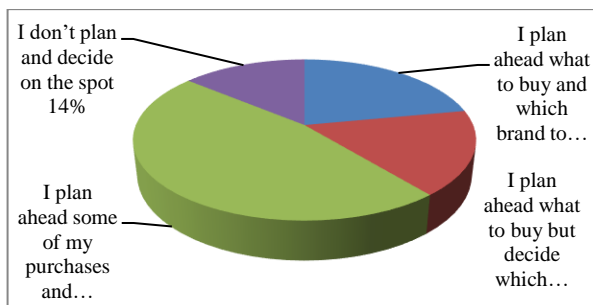


Fig. 4. Planning the purchase of foodstuffs  
 Source: Author's own research.

17% of the respondents plan ahead what to buy but decide which brand to choose on the

spot. 47% plan ahead some of their purchases and decide about the rest in the shop. Therefore, the partially planned purchases are over 60%. 14% of the respondents do not plan their purchases ahead and make a decision what to buy on the spot. Therefore, impulsive purchases amount to 14% (Fig. 4).

Social influences (the influence of different referent groups, social classes, family, etc.) have impact on consumer behaviour [14]. In the purchase process of foodstuffs, 49% (Fig. 5) of the respondents are influenced by the opinion of their social environment (relatives, friends, colleagues, established consumer style in the family).

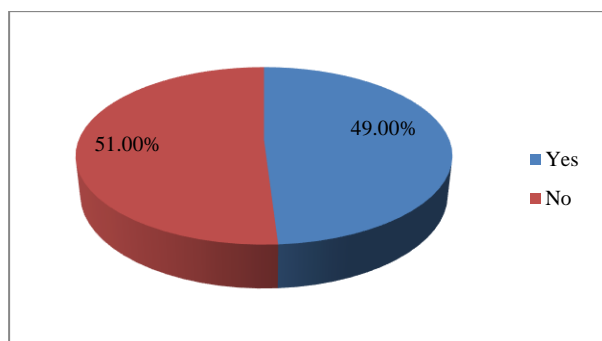


Fig. 5. Influence of referent groups on the purchase process

Source: Author's own research

The influence is related to the opinions expressed regarding the quality characteristics of the goods, trader's image or special offers (Fig. 6). 15% of the respondent consumers get informed about current special offers by their social environment.

Survey results show that consumers get informed about current special offers mostly from shop brochures (39%), by visiting a shop (19%).

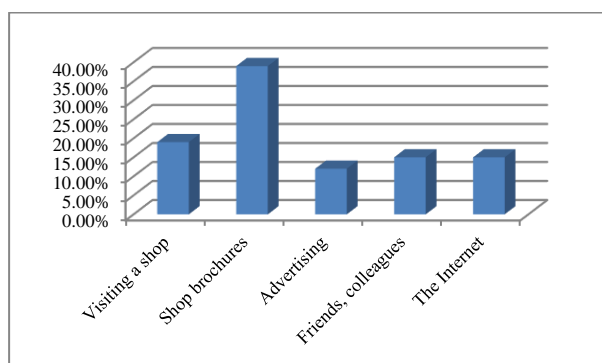


Fig. 6. Sources of information for current special offers

Source: Author's own research.

15% get informed from the trader's website and they are mainly from the age groups up to the age of 45 (over 70%). People over 65 are the least informed from the Internet (2%). The introduction of smart applications that allow consumers to be informed about current sales offers and to prepare a preliminary list of their desired purchases is observed in the practice of retail chains in Bulgaria [27].

The involvement of other people (family members or members of referent groups) in the purchase process can influence final consumer decisions. Fig.5 shows that the influence of the different referent groups is reflected in consumer decisions.

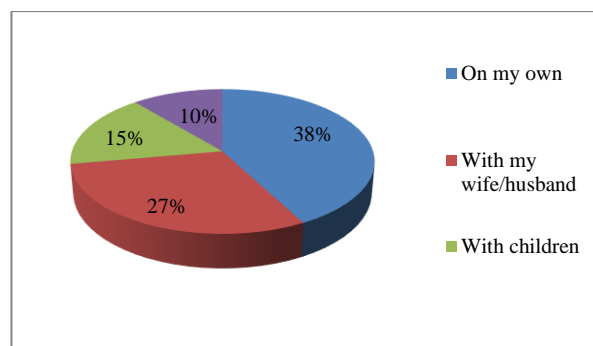


Fig. 7. Involvement of other people in the purchase process

Source: Author's own research.

The analysis of the survey results reveals that 38% of the respondents make purchases on their own, 27% make purchases when they are with their wife/husband, 15% - when they are with their children and 10% when they are with relatives, friends and colleagues (Fig. 7).

## CONCLUSIONS

Consumer behaviour in purchasing fast-moving foodstuffs is in accordance with the characteristics of these goods identified in theory. The commodity groups of bread, milk and fresh fruit have the highest frequency of purchase. The commodity groups of tinned food, vegetable fats and the goods used for the preparation of different kinds of hot drinks (tea, coffee and cocoa) have the lowest frequency of purchase. For all studied groups of goods, the key factors in consumer behaviour are quality, price and special offers. In the purchase process, consumers are

motivated to achieve the acceptable price-quality ratio. Entirely planned are the purchases of 22% of the respondents and 14% of the respondents do not plan their purchases. In the purchase process, 49% are influenced by the opinion of different referent groups. The introduction of smart applications leads to digitalisation of the purchase process.

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