

## Exploring the consumer profile of students. An economic approach

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### Abstract

*The study presents the main features of consumer behavior patterns from an economic perspective (Marshallian, Pavlovian, Freudian, Veblenian, and Hobbesian models). Based upon the qualitative analyses (which have used the information from two focus groups and the student's statement related to the importance of various categories of expenditure, valued on a 5-step scale) and quantitative analyses (which aimed the actual student allocations per expenditure category), the consumer profile of the students learning in the city of Iasi was achieved. The results of the qualitative research reveal that the student's consumer behavior profile corresponds to the Freudian model (based upon attitudes, the intensity of needs, opinions and motivations), and the results of the quantitative analysis reveal that the student's consumer behavior profile corresponds to the Veblenian model (based upon the desire to obtain a certain prestige rather than the motivation to satisfy needs). The study confirms the results of previous research, according to which the rationality of decisions to meet individual needs is strongly influenced by circumstances.*

**Keywords:** students, consumer behavior, consumption needs, utility, behavior patterns

### Introduction

The economic psychology studies have revealed that the consumption demand of individuals (and students) is based not only upon needs, but also on their wishes, expectations and aspirations (Morar and Pizmas, 2001). The neo-classics (V. Pareto, J. Hicks, G. Debreu, M. Allais) have argued that identical goods have different economic utility for different people, given the intensity of needs, the quantity consumed, the sacrifice made for obtaining the goods, the consumption habits and the environment (Iancu, 1993). But by confronting *the desirable* with *the possible*, the consumer does not only consider his preferences or desires; he is also obliged to take into account *the budgetary constraint* (the limit imposed on the consumer's choice of the size of his income and the price level). From the economic viewpoint, *the usefulness* of a good is defined as *its ability to satisfy a need or desire*. As consumers, the students aim to maximize the satisfaction by using the limited resources they have at their disposal; in other words, they seek to maximize the economic utility, based upon the hedonistic principle.

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The literature shows that the Theory of Planned Behavior is frequently used in the prediction of consumer behavior (Švecová and Odehnalová, 2019); this theory is based upon the assumption that the consumer will behave in a specific way if he is motivated by a specific intention (Dowd and Burke, 2013). The most important determinants of consumer behavior are the personal attitude, the subjective norms and the conscious control of behavior (Zagata, 2012). The personal attitude is appreciated to the extent to which the consumer believes the goods are providing the greatest satisfaction/utility. When the consumer behavior is influenced by family, friends, colleagues, etc. (who believes that a certain behavior is correct), subjective norms come into play (Chen, 2007). The conscious control of behavior is the most important determinant of consumption, encompassing moral, social and environmental aspects.

The study aims to explain how the students allocate their financial resources for the acquisition of different categories of goods and services thus: maximizing their satisfaction, complying with subjective norms, and consciously demonstrating the control of the consumer behavior. The ultimate goal is to frame the consumption behavior of students into one of the fundamental patterns of behavior. In this respect, the study is structured as follows: after a short review of the literature, the research methodology is presented; the following sections present the results, conclusions, limits and directions of future research.

## **1. Review of literature on consumer behavior**

Defining the consumer behavior has as its starting point the exchanges between human beings (with a direct reference to the seller and the buyer) that satisfy each other's interests. The concern for the optimal satisfaction of their own interests and needs dynamizes both consumer and producer behaviors. Achieving the maximum satisfaction from the consumption of goods and services purchased with limited resources defines the steady-state of the consumer.

The consumer behavior has been a concern for scientists; the first concerned were the economists who tried to describe its mechanism. Thus, *fundamental models* have emerged from the viewpoint of different scientific disciplines. The following models bearing the names of their authors are referenced in the literature (Kotler, 1965; Baker, 2001): the Marshallian model; the Pavlovian model; the Freudian model; the Veblenian model; the Hobbesian model (see the table 1).

According to Marshall's model, consumers are looking to buy those goods that give them the most utility/satisfaction, which is valued according to their tastes, desires, expectations and also to the relative commodity prices (the relative price of a good is an expression of the price according to the prices of other goods). Utility describes how the product responds to a need (Barbu *et al*, 2018).

The purchase process has a range of input variables (price, quantity, availability, service, style, options and image) and output variables (choice of product, brand name, dealer, quantity and purchase frequency). Starting from Marshall's foundation, the modern utility theory has developed stating that an economically rational individual centered on maximizing utility/satisfaction, carefully calculates the consequences of each acquisition decision.

**Table 1. Highlights on patterns of consumption behavior**

Models	Presentation of models
<p><b>The Marshallian model</b> Alfred Marshall (economist) founded the marginal analysis.</p>	<p>The purchasing decisions are the result of conscious and rational economic calculations. Peculiarities:</p> <ul style="list-style-type: none"> <li>- the satisfaction of needs is hierarchized by consumers starting from the notion of "marginal utility";</li> <li>- the only variable that influences the consumer is the price (the other variables are considered to be constant);</li> <li>- the intensity of needs, attitudes, opinions, and motivations are taken into account.</li> </ul>
<p><b>The Pavlovian model</b> Ivan Pavlov (physiologist and psychologist) studied the conditional reflex phenomenon.</p>	<p>The purchasing decisions as well as their materialization in the acquisition of goods and services is determined by impulse, suggestion, reaction and recurrence. The subconscious, the perception, the influence of some people are ignored.</p>
<p><b>The Freudian model</b> Sigmund Freud (neuropsychiatrist) replaces the political/religious/economic person with the psychological man.</p>	<p>The purchasing decisions are determined by the consumer's motivational aspects (the attitude and opinion). The following indices are highlighted: the direction of attitude (neutral, negative or positive); the force of the attitude (measurable by scales); the centrality of attitude in the structure of the subject; the emergence of the attitude connected with two elements, namely: the demands of the individual's development environment and the opportunity of the attitude. The opinion (closely related to the concept of attitude) is the verbal expression of the attitude.</p>
<p><b>The Veblenian model</b> Thorstein Veblen (economist) analyzed the relationship between consumption and the wealth of society.</p>	<p>The model is based upon the ostentatious consumption theory. The study of the consumer behavior is based on the desire to obtain a certain prestige and not on the motivation imposed by the satisfaction of needs.</p>
<p><b>The Hobbesian model</b> Thomas Hobbes (philosopher) defined the human nature as a form of self-interest cooperation.</p>	<p>The behavioral aspects of the consumer are treated from an organizational viewpoint. The decision to purchase goods and services (irrespective of the individual's attachment to the organization he or she belongs to) is influenced by the consumer's aspirations, competence and training, respectively, of his or her value scale.</p>

Source: Processing by Kotler (1965)

The Pavlovian model is based upon the assumption that certain behaviors (including the purchase behavior) can be learned by repetition or conditioning. The extrapolation of the Pavlovian economy model is based on four pillars (*drive, cue, response, and reinforcement*): impulse = "drive" (need, motivation, aspiration that induces an action), suggestion = "cue" (the result of the action of some weaker stimuli), reaction = "response" (as a suggestion effect) and recidivism = "*reinforcement*" (consolidating a reaction if the consumer experiences were as expected).

The Freudian model of consumer behavior is focused upon the primary biological and cultural impulses of consumers; it addresses the attitude (positive/neutral/negative, scalable, centered on the subject) as a variable that interferes between reason and action.

The Veblenian model focuses upon the understanding of both the individual determinants and the contextual factors of consumption of goods that confer a certain status. A socio-psychological model is considered in which consumer behavior is analyzed from the perspective of the desire to achieve certain prestige and motivation imposed by the satisfaction of needs. Veblen noted that sometimes people buy for reasons beyond the practical nature; by virtue of a "conspicuous consumption" people purchase goods that do not have additional utility or functionality but confer a certain status or highlight a particular socio-economic position. The developers (Currid-Halkett *et al.*, 2019) of the Veblenian model have defined two forms of consumption: *conspicuous consumption* (consumption of *visible luxury goods* in order to highlight status) and *inconspicuous consumption* (such as education, gardening and travel, retirement insurance) (Currid-Halkett, 2017).

The Hobbesian model deals with the problem of understanding the social world in economic terms; its logic is based on the "descriptions of macro-level social arrangements and individual-level motivation and action" (Broni *et al.*, 2013). According to Hobbes, although the human nature leads to pathological desires that create enemies, co-ordination and co-operation are possible in a "state of nature".

This is the context in which the Hobessian model focuses on organizational behavioral aspects of the consumer (firms, institutions, organizations). The decision to purchase goods and services necessary to the organization is influenced by the consumer's aspirations, competence and professional training, by his own value scale, no matter how strong his attachment to the organization is.

### **3. The research methodology**

The starting point of the research was the organization of two focus groups to identify the main aspects of student consumption behavior. The objectives were: a) to learn the perception of students about the importance of certain expenses, b) to find the monetary allocations for the main categories of expenditures identified; c) finding the sources of income for which the previously identified expenses are covered.

The second stage of the research was the development of a questionnaire to collect information in order to assess the consumption behavior of students. The first part of the questionnaire was centered on the discovery of opinions at the declarative level, as the students were invited to appreciate (on a five-step scale: not important, less important, relatively important, important, very

important) the importance of the different incomes they receive and the different expenses which they make for the purchase of goods and services found in their consumer list.

The second part of the questionnaire aimed to quantify the amount of financial allocations for purchasing the most representative consumer goods (identified in the focus group). After a prior validation, the printed questionnaire was applied to 150 respondents.

The questionnaires accepted for processing were 147. The structure of the sample was as follows: a) 52% are under the age of 20; 48% are in the 20-25 age groups; b) 38% females, 62% males; c) 74% study in the technical field, 26% in the humanities and social sciences field; d) 52% do not have scholarships, 48% have scholarships (merit/study/social scholarship); e) 92% are enrolled in undergraduate study programs, 8% in master studies; f) 37% are first year students, 35% in the second year students, 12% in the third year students, 16% in the final year students; g) 54% come from urban areas, 45% from rural areas.

#### **4. Research results and discussions**

Based upon the focus groups, the following sources of income for students were identified: scholarships, salary incomes, pensions (survivors' or private pensions), amounts received from parents or other family members and loans (from colleagues, friends, specialized institutions). Based on the questionnaires, as a weighted arithmetic mean, the average monthly income of a student (RON 916, respectively, EURO 195) was identified. The consumption combination that ensures the satisfaction of the student residing in the city of Iasi in compliance with the budgetary constraint is shown in Table 2.

The same focus groups identified the most important student expenses (materialized in the consumption of goods and/or services): accommodation, food, clothing (clothing and footwear), beauty (hairdressing/cosmetics – perfume/make-up, manicure products), spending on leisure time activities (clubs, discos, shows), telecommunications (mobile telephony, mobile data/internet), teaching materials and services (books, magazines, scans and editing), local and inter-county transportation, medical products and services, household products (for the maintenance of accommodation, clothing, etc.), products for body hygiene (shampoo, soap, bath sprays, creams), tobacco products, coffee products and alcoholic beverages.

**Table 2. Income sources and the average monthly income of the student**

No.	Sources of income	Average amounts RON (€)	Total RON (€)
1	Income from scholarships (grant scholarship / merit scholarship, social scholarships)	275 (€ 58)	916 (€ 195)
2	Income from parents (monthly transfers)	410 (€ 87)	
3	Income from relatives (monthly transfers)	84 (€ 18)	
4	Revenues from salaries (monthly achievements)	121 (€ 26)	
5	Pensions (heirs' pension – monthly payments)	26 (€ 6)	

Source: own processing

The analysis of the *accommodation* expenditure reveals that 56% of respondents (82 students) rate this expenditure as "important" and "very important"; however, out of the 147 students, only 6 allocate more than RON 500 (€ 106) per month for this expense. The conclusion we can draw is that at the declarative level students regard it as a "very important" expense, but at the level of the amount, the average allocation is RON 159 (€ 34) per month from an average monthly income of RON 916 (€ 195). *The expenditure on food*: 76% of respondents (112 students) appreciate this expenditure as "important" and "very important"; only 18 students allocate more than RON 500 per month for food. Similarly, the other categories of expenditure were also analyzed (Table 3).

**Table 3. The synthesis of research results**

Consumption / Consumption expenditure	Number of students assigned according to									
	The level of importance assigned to the categories of expenditure					The actual monetary allocations for expenditure categories				
	1*	2*	3*	4*	5*	0	0-200	201-500	501-800	over 800
Food	14	7	14	25	87	3	55	71	15	3
Accommodation	22	14	19	25	67	36	70	35	5	1
Didactic materials	5	11	48	36	47	8	56	58	11	14
Housekeeping / cleaning	11	23	43	23	47	12	63	51	13	8
Clothing	7	18	46	31	45	9	50	63	13	12
Telecommunications	13	17	48	24	45	19	68	42	12	6
Spare time activities	12	23	38	37	37	6	75	52	8	6
Personal hygiene	7	12	34	19	75	3	40	72	21	11
Human medicine	18	23	36	33	37	33	53	44	12	5
Transportation	21	27	25	37	37	17	81	28	15	6
Beauty products and services	18	25	38	36	30	45	57	34	4	7
Coffee	61	20	32	11	23	59	57	20	8	3
Tobacco	88	15	15	11	18	95	27	12	9	4
Alcoholic beverages	79	35	15	12	6	69	47	18	8	5

\* 1 – not important, 2 – less important, 3 – relatively important, 4 – important, 5 – very important

Source: own processing

In the table 3 there are summarized the students' responses for each stage/step of the scale. An important aspect which we have identified (noted in the above details) is that most of the students consider food, personal hygiene and accommodation as being very important. However, comparing

the two sections of the table, it is noted that there are major differences between the importance attributed to consumption and the actual monetary allocations.

In order to obtain more conclusive results, we determined the weighted arithmetic average of the student's responses. The weighting was determined by taking into account the level of importance assigned to each category of expenditure for consumer goods/services. The weighted average according to the level of importance attributed to consumption (at the declarative level) indicates that the students put in their priorities the consumption related to meeting the following needs: food, personal hygiene, didactic materials, accommodation and clothing. Instead, the same indicator determined by the amount of allocations for each consumption category sets another priority order for students; the consumption of goods / services is placed on the first three places to meet the following needs: personal hygiene, clothing and didactic activity (Table 4).

**Table 4. The order of importance of consumption and consumption allocations**

No.	Consumption	Weighted average according to the level of importance assigned	No.	Consumption expenditure	Weighted average according to the amount of monetary allocations
1	Food	4.12	1	Personal hygiene	2.98
2	Personal hygiene	3.97	2	Clothing	2.79
3	Didactic materials	3.74	3	Didactic materials	2.78
4	Accommodation	3.69	4	Food	2.73
5	Clothing	3.61	5	Housekeeping/cleaning	2.61
6	Housekeeping/cleaning	3.49	6	Spare time activities	2.54
7	Telecommunications	3.48	7	Telecommunications	2.44
8	Spare time activities	3.44	8	Transportation	2.4
9	Human medicine	3.33	9	Human medicine	2.34
10	Transportation	3.29	10	Beauty (products, services)	2.12
11	Beauty (products, services)	3.24	11	Accommodation	2.08
12	Coffee	2.42	12	Coffee	1.9
13	Tobacco	2.02	13	Alcoholic beverages	1.86
14	Alcoholic beverages	1.85	14	Tobacco	1.64

Source: own processing

The conclusion that we draw is that at the declarative level students demonstrate rationality, because their options correspond to the pyramid of needs. According to the pyramid of needs, the basic physiological needs (water, food and shelter) are placed at the base. The analysis of students' priorities in terms of monetary allocations to meet needs (in the context of budget constraints) no longer corresponds to the standard pyramid of needs; priority is given to purchases that meet the need for social recognition.

In the standard model of Maslow's pyramid, the individual, after satisfying their physiological, security and affiliation needs, they become interested in success and recognition (to strengthen the

self-esteem). At the level of the analyzed sample, the order of priority changes (Table 5). The focus is obvious on the remark at the level of the student community through: the attention they pay to the body hygiene; the way they get dressed; the attention they pay to the didactic activity.

**Table 5. Weighting of allocations (of student's average income)**

	Personal hygiene products	Clothing and footwear	Products / services for didactic purposes	Food	Cleaning products	Spare time	Telecommunications
%	<b>11.2%</b>	<b>9.8%</b>	<b>9.7%</b>	<b>9.1%</b>	<b>8.4%</b>	<b>7.7%</b>	<b>7.4%</b>
	Transportation	Medicine	Beauty	Accommodation	Coffee	Beverages	Tobacco
%	<b>7.0%</b>	<b>7.0%</b>	<b>5.6%</b>	<b>5.0%</b>	<b>4.4%</b>	<b>4.4%</b>	<b>3.5%</b>

Source: own processing

Student consumption behavior cannot be associated with the Marshallian model for the following reasons: not all students make conscious economic calculations (their purchases are based on impulse, attitude, opinion, environment/entourage); their consumption decisions are based on the absolute price of the products; relative prices are not as important as long as the purchases are made on the money received from their parents (and not on the income obtained from their own work).

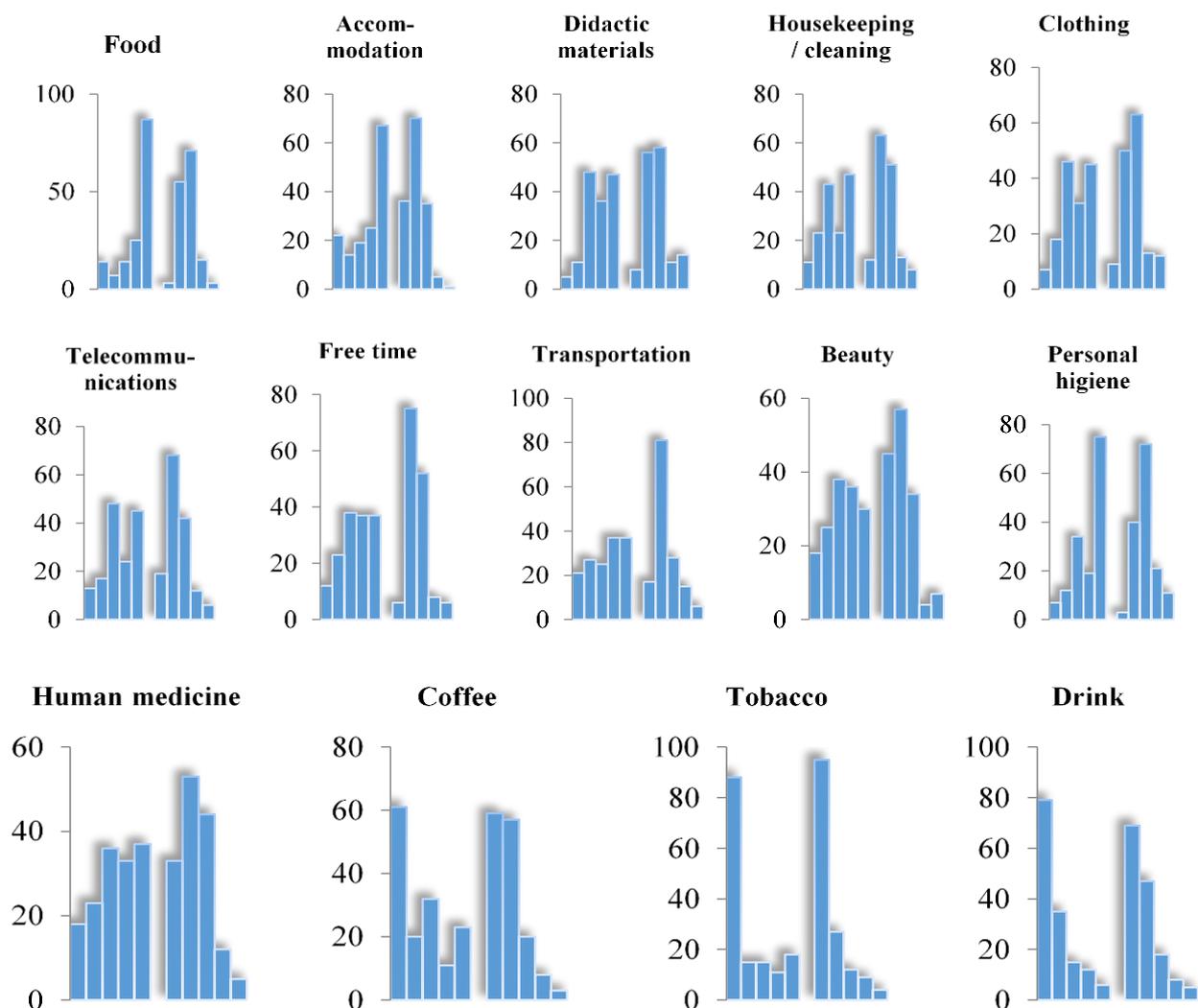
The identification of the impulse as a motivating factor of the consumption was not enough to associate the student's consumption behavior with the Pavlovian model. Recurrence was not noticed as a common landmark in the analysis. Student consumption behavior are far from being mature. Frequent changes in lifestyle, freedom of decision, to choose or to do / not to do something are factors that can hardly admit recidivism in the student's behavior.

Neither does the Hobbesian model fit the profile of the analyzed consumers. Two out of three pillars on which this model is built (consumer competence and professional training) are just under consolidation. Studentship is the period in which professional and transversal competences are formed, skills and experiences are acquired.

The analysis at the level of each category of consumption (in terms of the assigned importance levels and the monetary allocations made) complements the student profile from the standpoint of the autonomous consumer (Figure 1). The diagrams in Figure 1 highlight the contrast between the student's statement on the importance of certain consumption (indicating rationality in the hierarchy of consumption needs) and the actual purchases made by students.

The first set of bars of each chart shows the number of students in terms of the level of importance attributed to a need; the second set of bars renders the student assignment according to the amounts allocated to meet the same need.

**Figure 1. The student consumer profile**



Source: own processing.

The highest level of data homogeneity (appreciated through the minimum differences between the level of importance attributed to a consumer goods category and the amounts involved for the purchase of these goods) can be seen in the last two diagrams in Figure 1. Table 6 provides the arguments this observation is based on.

**Table 6. Evidences of data homogeneity/heterogeneity**

Goods	Students' appraisals – homogeneity									
	1*	RON 0	2*	RON 0-200	3*	RON 201-500	4*	RON 501-800	5*	RON over 800
Tobacco	88	95	15	27	15	12	11	9	18	4
Alcoholic beverages	79	69	35	47	15	18	12	8	6	5
Goods	Students' appraisals – heterogeneity									
	1*	RON 0	2*	RON 0-200	3*	RON 201-500	4*	RON 501-800	5*	RON over 800
Accommodation	22	36	14	70	19	35	25	4	67	1
Food	14	3	7	55	14	71	25	15	87	3
Beauty	18	45	25	57	38	34	36	4	30	7
Telecommunications	13	19	17	68	48	42	24	12	45	6

\* 1 – not important, 2 – less important, 3 – relatively important, 4 – important, 5 – very important

Source: own processing.

The lowest level of data homogeneity is recorded in the following consumption categories: accommodation, food, beauty products and services and telecommunication.

## Conclusions

According to the *qualitative* analysis (based upon the student's statement on the importance of different categories of expenses associated with satisfying certain needs, appreciated on a 5-step scale), the research reveals a consumption behavior that corresponds to Maslow's needs-based pyramid. In these coordinates, the research revealed that the student's consumption behavior profile corresponds to the Freudian model (based upon attitudes, intensity of needs, opinions and motivations). Within the focus groups, students have shown more responsibility and rationality in analyzing their consumption behavior. They mentioned that their consumption decisions are based, first of all, on the attributes of the products that satisfy utilitarian needs (food, personal hygiene, accommodation, teaching materials). The same attitude was also observed when they were invited to assign a level of importance to different categories of consumption.

According to the *quantitative* analysis (based upon the student's actual allocations for each category of expenditure), the research reveals that the student's consumption behavior profile no longer observes the principles underlying the construction of the hierarchy of needs. The student consumption behavior it seems to be rather based upon the desire to achieve a certain prestige and not on the motivation imposed by the satisfying of needs. This is the reason why the student behavior has been also associated with the Veblenian model. The explaining of the consumer behavior is based upon contextual factors of consumption of goods (especially the *conspicuous consumption*, which

provides the subject a certain status/prestige. In other words, students buy for reasons that go beyond economic rationality just to become "visible" and stand out at the community level.

The results of the research did not provide enough clues to allow the consumption behavior of students to be associated with the other models (Marshallian, Pavlovian, Hobbessian). Based on logical deductions, we identified a number of potential arguments: the absence of opportunity costs does not justify performing economic calculations to identify the best alternative (the incomes of the students come from the parents, and does not imply a sacrifice for obtaining them); impulse (as motivational factor) is not followed by relapse; ongoing/still in progress acquisitions for professional competences and skills.

The consumption combination that ensures the satisfaction of the student who resides in the city of Iasi, while observing the budget constraint, reveals that the most important amount is allocated to hygiene spending (11.2% of the monthly income) and the smallest allocation is for tobacco (3.5% of the monthly income of the student).

*Limits and future directions of research.* For the increase of the results' representativeness, we are considering the extensive and intensive development of the research. The extensive development is aimed at increasing the number of student's respondents (a sample widening). The intensive development aims at identifying the main determinants of consumption and the development of correlation and regression analysis.

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