

PROMOTIONAL EVENTS – AS A TOOL OF NATIONAL ADVERTISING

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Abstract:

The paper presents the main features of the pet food market in Romania, information about the players in the pet industry, its stage of development compared with other European markets and the first attempts at national organization of promotional events in this field.

Key words: *promotional events, exhibition, pet food*

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Promotional events include the participation in events such as exhibitions, as well as sponsorships and patronages. These promotional techniques violate the distinct line between advertising, sales promotion and public relations. Especially sponsorship and patronage are techniques used by companies around the world to promote their image; in order to achieve this, the public needs to be informed.

Attending such events is done by means of organizing pavilions or stands at trade fairs, shows and exhibitions, traveling exhibitions, "technical days", etc.

Promotional events have added over time, besides their original commercial role, the communicative function, the dialogue between the market agents. Attending such an event provides the opportunity for the progress of various promotional measures, including distribution of leaflets and brochures, organizing demonstrations, conferences, etc.

On what regards economic results, attending promotional events, is evaluated through the contracts concluded, the volume of orders made, the new contacted customers, the sale of products and services for the first time, the achievement of better prices.

At present, marketing through fairs and exhibitions is an emerging field in Romania.

A less costly method, but still with best results, comes from sponsoring some companies to attend a trade fair, the latter falling under the “under exhibitors” category.

Fairs and exhibitions represent major promotion opportunities for an organization. They are useful marketing tools especially in what concerns the business development. These marketing tools can be used both by organizations to address to individual consumers, and companies operating in the “business to business” market.

Sponsorship activities represent the financial support of a company granted to organize public events in order to promote the brands of its products/services on the market; it is a communication tool enabling direct linking of a bank’s image to an attractive event for the general public.

The three dimensions of sponsorship are:

- The announcer – the company or person wishing to communicate;
- The target – the sponsor must allow the announcer in order to convey the message according to the appropriate target, that is the final recipient;

- The event – every individual stores in a specific order: first come private events, followed by “unavoidable” events to actual life, general events and, finally, advertising stimuli.

There are several sponsorship opportunities, i.e.: sports sponsorships, social and cultural sponsorships.

Patronage activities are the material, financial or moral aid granted without direct consideration of the announcer for the exercise of general interest activities.

The objectives pursued in this case are mainly as follows:

- strengthening and straightening the image of the company among the public;
- promotion of the company’s culture among the target public;
- the assertion of the company in relation to its competitors;
- develop internal cohesion of the staff.

Many changes have emerged in the fair and exhibition market in our country in the last two years, and things will not stop here. Along with the EU integration, a series of major changes in everything that means the Romanian economy are taking place.

Fairs will gain ground in the marketing mix. Many companies, especially in the business to business market will give more attention to participation in fairs and exhibitions.

The development of the market dynamism will shape the emergence and disappearance of a number of increasingly large fairs and exhibitions. There will be increasingly more exhibitions on different niches, of which only a small part will hold the first three editions. More and more companies specialized in organizing fairs and exhibitions will seek to stabilize their position.

The following are usually used as criteria for choosing the event to attend to: event profile, the number of editions held until that time, the number of visitors in previous editions, the event organizer, etc.

Location of the fair or exhibition. An important selection criterion is the location for conducting the event. Fairs and exhibitions take place in "unconventional" areas, but this is only possible if there is a very strong link between location and the unconventional theme event. How to promote the event. The role of promotional events is to contact the supply and demand. Potential exhibitors must know where, how and when the event will be promoted.

The development stage of the fair or exhibition. Services and guarantees provided by the organizer. For the exhibitor, fairs represent a set of marketing tools. In light of such instruments available to companies and the quality of these services, the decision to participate can be made. An exhibition represents a service promised. It is sold before the prestart.

Theme of the event. An event with a limited or even punctual theme is preferable to one with a broader theme. This is the same as when the event is built around a target audience and not around a field, therefore it is preferable to carry out an event in which the target audience is as homogenous as possible.

After Romania joined the European Union, the prices of pet food have decreased substantially, since the customs duties on imports - 18.2% - were eliminated. According to the National Institute of Statistics, Romania has imported about 38,000 tones of pet food, about ten times more compared to 1999.

Romanians paid only in the first half of 2007, about 68.4 million lei (about 20 million Euros), by 27.2% over the registered amount over the same period of the previous year, according to a study conducted by the Nielsen Research Center.

The pet food market in Romania will reach this year, a value of about 50 million, according to importers and distributors present in this segment. Only in the first half of the year, sales of pet food products have increased by over 19% compared to the

same period last year, due to increased purchasing power of Romanians, but also due to a decrease in prices after the elimination of customs duties, after Romania joined the European Union, according to the Pet Food Manufacturers Association (PFMA). At present, there are five major competitors on the domestic market, namely Mars, Nestle, Purina, Profipet, Salvavet and Nordic PetFood, company that opened a pet food factory four years ago in Buftea (Ilfov County), with an initial investment of two million Euros. Currently, imports represent 90% of sales.

In what regards Romanian buyers, this is a permanent change. Thus, if before 1990, people fed their pets exclusively with the same food they cooked for them, now there is a clear demarcation in this respect. The amount spent when purchasing pet food products depends on each owner, the concern for his pet, but also the financial possibilities and the existing range on the market at that time. In what concerns the investment in a pet food factory in our country, the official at Mars claimed that the development of a production line has to be maintained in the long term, which implies the stability of the market in what regards the link demand-supply.

In order for a long term investment to work, the market should be ready for the absorption of a volume corresponding to a minimum level of productivity. There is still a lot of work to be done on the formation and development of this market. The pet food market in Romania has only emerged recently. The product itself was almost unheard of 10-15 years ago to pet owners here.

It is natural that the cat&dog food market to grow, because people have become more civilized, pet shops have developed very much, and the purchasing power increased greatly. Also, this kind of food is very convenient for owners and excellent for pets. Food for dogs and cats found on the domestic market can be divided into four types, namely economic, premium, super premium and holistic, the latter being the best. Best products sold in Romania, within the pet food category, are Whiskas and Pedigree, followed closely by Chappi and Kitekat. If we relate to the market as a whole, by taking into account the two main segments of Mars in Romania - pet food and snack food - the pet food segment is the one who has made the fastest progress.

Pet food brands best sold in Romania, according to a Nielsen study: Chappi, Pedigree, Darling, Whiskas, Kitekat, Friskies, Hit, Skipper, Royal Canin Dog Club and Nestle, which hold, all combined, 66% of the Romanian market. In value, the same brands have, cumulatively, a market share of approximately 73% of total sales of pet food in Romania. According to the same study, the favorite locations for Romanians to purchase food for their pets are pet shops, where, in the first half, about 58.9% of buyers got their supplies, followed by supermarkets and hypermarkets (37.5%) as well as traditional stores (3.6%).

The specific character of the pet food market led to the use of an appropriate indicator, called the "Caloric Coverage Index" (CCI). In what concerns the number of pets of a country, this index determines how much from the total of calorific needs of this population is covered by special food for pets. Currently, in Romania, the Caloric Coverage Index reaches almost 5.1%, with very large differences between rural and urban areas, while the EU average is 60-70%. In other countries, the indicator is lower or higher, depending on the market dynamics. For example, in Slovenia, the percentage is 31% and in Croatia 12.5%. These differences show the great potential of the Romanian market, in comparison with other markets in the EU or in third countries.

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Mars Romania, the former Masterfood Romania, has been present on the domestic market since 1994. The main pet food brands imported by Mars Romania are Whiskas, Pedigree, Chappi and Kitekat. Locally, the company also commercializes the brands Snickers, Twix, Bounty and Milky Way, Dolmio sauces and rice brands of Uncle

Ben's. The U.S. has a worldwide turnover of over 12.1 billion annually, being present in over 100 countries. Altogether, the company has over 39,000 employees in 215 Masterfoods offices around the world and has, globally, 100 factories in over 65 countries.

Nestle, the world leader of the food industry, has been present in Romania since 1995. Within the pet food segment, Nestle imports Purina, Gourmet, Cat Chow, Dog Chow, and Friskies Darling brands. The company, a leader in the pet food field, has 52 factories and over 14,500 employees. The Swedish company also holds on the Romanian market the division of Nestle Ice Cream ice cream, having a production unit near Bucharest.

Profipet is one of the largest companies in Romania, importing and distributing items for pets - food and accessories. The company was established in Romania in 1995. Profipet imports and distributes pet products such as Bewital, Beaphar, Monge, Ferplast, Hagen, Vitakraft, Tetra, Chem Vit, Juwel Aquarium and Oster. The company has developed a distribution network covering the whole national territory by several warehouses developed in Ploiesti, Constanta, Iasi, Cluj and Lugoj.

Salvavet is the first company in veterinary medicine in Romania, founded in 1990 and whose main shareholder is Liviu Harbuz, the President of the College of Veterinarian Physicians in Romania. Salvavet is the only pet food products distributor in Bucharest imported by Mars. Moreover, the company also imports Nutro pet food brands, from the U.S., Hit from Bulgaria and Mediteraneum (specialized in wet food for pets, no) from Spain. Out of Salvavet's total sales, the American superpremium food Nutro brand holds about 70%. In the first nine months of the year, *Salvavet* sales have increased by approximately 18%.

Exhibitions provide the opportunity to extend the services provided to existing customers and new customers as well. Over 7500 trade fairs are held annually. These shows attract those audiences with a specific or complementary interest. This is the case of Pet Expo, the event that is taken into question.

Pet Expo is Romania's first dedicated pet business exhibition. Pet Expo will be the showcase of the Romanian market for products and services dedicated to pets and pet lovers.

In recent years, the Romanian market for pet products and services has increased with promising figures. Pet Expo comes as the natural result of this upward trend and has been welcomed with enthusiasm by the pet industry.

Pet Expo will provide a clear picture of the Romanian pet market and it will illustrate the opportunities and threats, the strengths and weaknesses of the companies and their needs, desires and aspirations of the Romanian consumers.

Pet Expo will be the meeting point of producers, import companies, distributors, service companies and consumers, thus creating an image focused on the distribution chain in the pet industry, from the producer to the final consumer.

The Polivalent Hall in Bucharest usually hosts this event, in order to bring it along with the attending companies, closer to those who want to learn the latest news related to the care and indulgence of their little friends. All categories of pets will be covered. Thus, those who have or wish to become owners of a dog or a cat, a rodent, a turtle or a parrot, of a reptile or a giant spider are invited to attend. Aquariums will also be an important and attractive section in the exhibition. So, all those who are passionate or aspire to have a superb aquarium are invited to see the best products in the field and rare exotic fish.

At Pet Expo, 2000 square meters and over 70 stalls are planned for this unique, long awaited event by both pet lovers and companies in the field. More than 5,000 visitors are expected to visit the fair.

Pet Expo is a unique opportunity to showcase products and services dedicated to pets for a large number of consumers and potential customers, pet lovers, but also to create relationships with companies working in the field.

Pet Expo will be the mirrored image of the pet products and services and will be the ideal place to present the latest innovations in the field, thus a very good opportunity for launching new products. Pet Expo will illustrate the opportunities and threats, the strengths and weaknesses of the companies and their needs, desires and aspirations of the consumers.

Pet Expo is the first professional fair in a field that develops constantly. Export managers, buyers and experts in the field will come to see the newest offers of the companies within this field, market leaders, innovative producers, manufacturers and latest technologies.

With products and services for all categories of pets (dogs, cats, small pets and aquariums), firms which will exhibit commercial furniture and know-how, Pet Expo is also an opportunity for entrepreneurs who want to start a successful business in this field.

Exhibitors: Arxemo Group Ltd - nutritional supplements, Divet Medical Ltd - medical services, Tomcat Mixt Ltd - exotic fish importer, Turbo Pet Mobile Ltd – veterinary ambulance, Reef Aquarium Ltd - aquariums, brands: AquaMedic, Dupla, Hobby, Teco, Aquarium Systems, Ocean, Exotic Pet Shop Ltd. - Nutrition, Prodibio, A.B.A.DVet Ltd - exotic pets and products, Schmidt-Essen Ltd. - veterinary products and services, Spiru Haret - veterinary products, Rin Tin Tin Ltd - the Faculty of Veterinary Medicine, Torox Impex LLC - hostel services, Daisy Pet Ltd – pet food, brands: BioMill, CotAgro, Aplazil, PetPhos, Dipet Centrum Ltd - medical supplies and veterinary equipment, Gift Shop International Ltd - veterinary products and pet jewelry , K9 Training Products Ltd. – training pet products, brands: Innotek, Dogtra, Martin System, Schweikert, Gappay, Artero, Biovet Impex Ltd – pet food, brands: Hill's, Krutex, Buster, Equi-vet, Bovi-vet, Sanitec Ocene, Casco Ltd – pet food, brands: DIBO, Dr.Alder, Markus Muehle, Luposan, Univet Company Ltd. - food, medicines and pet products, Nobivet Impex Ltd - pet accessories, Simifarm Ltd - chinchilla farms, Romvac Company LLC - research and development of veterinary products, Nova Investment Group LLC - veterinary products and equipment, Intervet Romania Ltd - pharmaceutical products for veterinary use.

Pet Expo will reunite the most important companies on the market in products and services devoted to pets and pet lovers.

Thus, manufacturers, importers and distributors of food and training products, clothing, jewelry, cages, leashes, beds, toys, hygiene products, medicines and others, will be present at this fair.

Also, an important section will be dedicated to companies offering services in the field: veterinary and training centers, pet hostels and others.

Specialists in various fields related to pets will conduct seminars held in a special audience hall.

These are just some of the topics to be approached at Pet Expo:

- choosing your pet;
- fundamentals of pet care;
- first aid;
- feeding your pet;
- understand the feelings of your pet;
- pets' healing power;
- the parrot, your friend;
- your own fish tank;
- pets' fears and phobias.

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