

# STUDY ON MARKETING CONTRIBUTION TO EU INTEGRATION OF AGRO-FOOD ROMANIAN BUSINESSES

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## **Abstract:**

*In the European market, competition has an advantageous role for traders, consumers, and society in general. However, there were few who claimed that hardness developed within the European competition is so strong that it determines you to use a whole arsenal of tactics aimed at achieving competitive advantage, marketing having an important role. In this article we intend to present the contribution of Romanian food companies marketing in the process of European integration.*

*Key words: marketing, integration, agricultural products, and market orientation*

*JEL classification: M3, Q18*

## **1.Introduction**

The importance of aligning marketing to Romanian food products to EU standards resulting primarily from the nature of physiological needs which are addressed to these products in food and agricultural sectors that provide a significant part of economic growth, and agriculture and food industry are connected horizontally and vertically with all other branches of economy, fitting organically into the national economic environment, regional, international and global.

This study aims to fulfill the following major goal: understanding the impact of preparing for EU accession has had on marketing activity undertaken in the food business area, in recent years.

## **2. Research method**

Research method used is based on questionnaire investigation. The questionnaire was sent to respondents by the interviewer staff, responses will be mailed. This method was chosen considering the benefits afforded by it: explaining the survey and how to supplement responses, reducing operator's influence upon the respondent, able to work at your own pace and when it is available, guaranteeing anonymity, low cost, broad geographical area of application.

In order to obtain the information necessary to perform research and verify the assumptions made, a questionnaire was administered whose items were developed from exploratory research which aimed to examine the methodology used in previous studies conducted in the area investigated. After editing, the questionnaires were tested before final administration, bringing the necessary corrections.

In order to obtain necessary data we selected a sample of enterprises in our country. We present below the sampling technique used and the characteristics of the sample obtained.

Taking into account the objectives and research hypotheses, it was debated the problem of defining boundaries of the investigated population in order to extract a sample. The food companies from the west part of the country which have a formalized structure and launched new products over the past three years food **represent the investigated population.**

The company **represents the sampling unit**, the reference unit for the respondent being the whole company's practice. Extraction was non-probability sample.

Out of the "National Pages" glossary, there were extracted a total of 100 companies from Alba Iulia, Arad, Oradea, Satu Mare and Timisoara which, to the best knowledge and reasoning of the researcher, might be eligible to be included in the investigated population.

From each agro-food company, the researcher, first contacted the General Manager or CEO depending on availability, to obtain permission to include that company in the sample. He introduced a motivation letter from the researcher stating the subject of the survey, the indicated respondents who should complete the questionnaire, ensuring confidentiality and anonymity of individual responses. The indicated people for completing the questionnaires were then contacted, giving them explanations regarding the subject of the survey and the formulation of responses. Completed questionnaires were returned either by post or by a person who has served.

### 3. Results

Out of the 100 questionnaires which were distributed, 62 were recovered (thus a response rate of 62%), which could be retained in the sample because they were largely completed properly.

The sample has the following characteristics related to ownership, origin of capital and number of employees.

#### • Ownership

Depending on the type of property (see table 1.), found in the sample is 8.06% owned enterprises, 72.58% private enterprises and 19.35% in mixed ownership of state enterprises and private.

Table 1

**Sample structure according to ownership**

Ownership	Absolute frequency	Relative frequency
State property	5	8,06
Private	45	72,58
State property and Private	12	19,35

#### • Sources of capital

Most capital firms in the sample is of Romanian origin (96.77%), mixed capital represents only 3.23% (see Table 2.).

Table 2

**Sample to the origin of capital structure**

Capital Sources	Absolute frequency	Relative frequency (%)
Romanian capital	60	96,77
Romanian and foreign joint ventures	2	3,23

#### • Sample structure for the number of employees

The biggest percentage is represented by food companies having up to 1000 employees (90.32%), followed by large companies with over 2000 employees (3.23%) and those with a number between 1001 and 2000 (6 45%) (see Table 3).

Statistical treatments were applied to the data set based on many factors:

- analyzed problem;
- what type of information would be obtained;
- the assumptions set;
- the scale type on which the variables were measured.

Table 3

**Sample structure according to the number of employees  
of the food enterprise**

<b>Number of employees</b>	<b>Absolute frequency</b>	<b>Relative frequency (%)</b>
Up to 1000 employees	56	90,32
Between 1000-2000 employees	4	6,45
More than 2000 employees	2	3,23

The main topics examined and the questions with which the data were obtained are shown in table 4.

Table 4

**Thematic plan of statistical analysis of data**

<b>Theme</b>	<b>Analyzed aspects</b>	<b>Questions</b>
Company's market orientation	Generation of market information	9
	Dissemination of market information	9
	Using information in substantiation Strategy	9
	Using information in strategy implementation	9
	The overall level of market orientation	9
Marketing's role and place	The role of marketing within a company	6
	The importance of marketing in time and in relation to other departments	12,13,15
	Place food marketing within the undertaking	14
	Intensity of relationship marketing interoperable	19-22
	Divergence of marketing interoperable	23,24

Depending on the level at which variables were measured, absolute and relative frequencies were determined.

Analyzing the situation on all companies surveyed is found that the importance attributed to marketing over the past three years has increased in most cases (54.83%), will grow in the future (80.64%). The interoperable nature of marketing relationships is influenced by perceived importance of its activities in relation to other compartments.

Table 5

**Importance attributed to marketing within a company**

<b>The importance of marketing</b>	More important	The same importance	Less important
In the last 3 years	34 (54,83%)	16 (25,8%)	12 (19,35%)
In the next 3 years	50 (80,64%)	9 (14,51%)	3 (4,83%)

**The subordination of the marketing department** to the CEO is found in most of the enterprises (46.77%) and to the marketing manager in only 27.41% (see Table 6.).

Table 6

**Marketing's place within a company**

<b>Subordinating the marketing department</b>	Absolute frequencies	Relative frequencies (%)
CEO	29	46,77%
Marketing Manager	17	27,41%
General manager	16	25,8%

Marketing activity is planned in most of the companies on a short term perspective (50%), long-term marketing plans are only in 12.9% of cases (see Table 7).

Table 7

**The planned nature of the marketing activity**

<b>The existence of a marketing plan</b>	Absolute frequency	Relative frequency (%)
There is no marketing plan	23	37,09%
There is an annual marketing plan	31	50%
There is a long-term marketing plan	8	12,9%

So the importance of food business marketing to success is widely recognized, but results from specific actions taken below expectations.

## 5. Conclusions

The importance of food marketing business to success is widely recognized, but results from specific actions taken in Romania are below expectations. Main causes leading to this situation, identified by the completion of this study are:

- 1. Given the narrow sense of marketing.** Both leaders and departments in agribusiness, is mainly perceived the usefulness of marketing action (distribution and promotion of product) in sales problems, neglecting the size and cultural analysis that involves changes in processes and organizational behavior. This approach corresponds to a pattern of short-term selling food company in market relations.
- 2. Lack of a coherent development strategy in the long term.** Survival strategy adopted by a number of food companies, involves solving current problems, forcing the sale of products that were made, even if they do not correspond to requirements and

customer demands. Lack of guidance leads to long term neglect of careful study to identify new market opportunities.

**3. Low involvement of marketing in diffusing "customer philosophy" in business.** Presenting the importance of client declaratively is insufficient to increase market orientation. Achieving interoperable analysis of actions' impact and other departments' impact and their intervention opportunities in order to increase consumer satisfaction should represent a current practice.

**4. Priority given to operational marketing issues.** Marketing departments are concerned in particular to organize promotional product campaigns. But marketing mix incoherence leads to low effectiveness and efficiency of promotional actions, issues of product, distribution and price could not be resolved in this way.

**5. Low use of marketing research methods and techniques for obtaining useful information at strategic level.** In many cases, faulty organization of market research does not identify the relevant information in decision-making process, for which are given little importance.

**6. Although the importance given to marketing is declared their support is low.** Food company management focusing on issues facing the operational level (those related to receipts, payments, supply and sales in particular) confines time to strategic reflections. The present is managed seeking causes in the past more than preparing changes in order to capitalize opportunities and to prevent future problems.

Given the expression of these trends (even with a lower intensity), similar to those of the EU - which have emerged and developed under the influence of European macro-environment variables - is most likely with the accession to the European Union, an acceleration of the dynamics of these lines of development will be recorded, the agro-food marketing in Romania getting thus, to a growing extent, the configuration of agribusiness marketing mix in the EU market.

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