

A PROGRAM THAT SUPPORT THE ROMANIAN PRODUCTS AN IMPORTANT FACTOR TO STIMULATE CONSUMPTION OF NATIONAL PRODUCTS

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Abstract:

In this time the effects of the economic crisis are felling stronger every day, both consumers and companies are deeply affected. Implementing a program with the main objective to encourage the Romanian consumers to buy products manufactured in Romania seems to be a good solution. The main advantage of such a program is that by purchasing national products the companies that produce goods would continue there activity, thereby helping to preserve jobs. In this paper we take into consideration a number of issues that could be considered obstacles such as: the characteristics of the Romanian consumers, impact on Romanian consumers of national brands. Also, for our approach we analyze the experience of other programs of this kind carried out in our country and the experience of other countries that have attempted implementation of such programs.

Key words: consumers, income, brand, made in Romania.

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Economy is in crisis and its effects are felt on Romanian companies and consumers. To overcome this difficult period companies and consumers apply different methods depending on how the crisis has affected them or how they expect to be affected. Companies apply different strategies: some stop the production a certain number of days or limit production others have decided to quit work and dismiss the staff, while others remove activities in areas more attractive financially. Consumers pay more attention to the products they purchase.

In these circumstances the implementation of a program to encourage the consumption of national products is necessary. Now the consumers who want to buy Romanian products face difficulties to identify them from the multitude of products on the market. A possible indicator of Romanian origin of the product could be the name brand. Obviously chocolate Rom is a Romanian product as well as mineral water Borsec. But there are on the market products with exotic names of Romanian origin. In this category we can include wafers Joe or Zuzu yogurt. We can conclude that the brand name can mislead consumers in identification of the product origin. The difficulty in identifying the Romanian products it is an argument in favor of such a program. Implementation of a program to encourage Romanian consumers to purchase products made in Romania is beneficial. The interdependent advantages of such a program are:

- increase sales of local products;
- strengthening the national economy;
- preserving and possibly creating jobs;
- continue performing the activity of companies that made products;
- state budget revenue growth;
- grow of consumption.

First, a campaign must identify whether Romanian consumers ethnocentrism, they are inclined to buy domestic products or imported. This can be done with CETSCALE

developed by Shimp and Sharma (1987) an instrument used to measure consumer ethnocentrism. Ethnocentric consumers do not buy products from other countries considering unpatriotic. CETSCALE identify whether consumers are ethnocentric by their extent of agreement with statement such as:

- Purchasing imported products is not patriotic.
- Those who do not buy Romanian products are responsible for increasing unemployment.
- It may cost me to log-run but I prefer to support Romanian products.
- We should buy from foreign countries only those products that we cannot obtain within our own country.
- Is always better to buy Romanian products.

A study from 1993 on the consumer attitudes towards the products attributes and country of origin shows that for Romanian consumers a western product has a positive image. In the early '90s Romanians were very interested in foreign products, plus considered the Romanian goods of poor quality. In recent years is noticed a change in consumer perceptions about Romanian products. The number of those who consider that there are Romanian products with the same quality as those imported increase. The main factors that contributed to change of opinion on Romanian products are related to: investment in raising quality, packaging, distribution and communication. Also, Romanian consumers believe that products made in Romania are healthier due to the use of local ingredients and that geographic proximity to the place of origin offers freshness and better quality. Changing the perception of quality of products manufactured in our country and health concerns are arguments in favor of implementing a program that encourage consumption of Romanian products.

To ensure the success of such a program we must take into consideration a number of issues which at first sight could be considered obstacles. We pay attention to the Romanian consumer buying criteria and impact of national brands on Romanian consumers. Also, for our analysis can be useful to study the experience of other programs of this kind carried out in our country and the experience of other countries that have attempted to implement such programs.

According to a study conducted by a market research company on the Romanian consumer behavior in 2008, the criteria by which Romanian purchase products, in order of importance, are: pricing, promotions and brand. Consumers appreciate good deals in the form of price reductions offered for new or premium product or in the form of paying the same price for greater quantity of products for goods purchased regularly. The segmentation by revenue shows that for those with low incomes the price is the main criteria of the decision to purchase. For those with medium and high income important is brand of the products purchased. For products that are to be seen by others Romanians gives importance to image, while for products intended for domestic use the key criteria is good price compared to quality and quantity and functional packaging and practiced. Based on this information we can conclude that low income consumers are sensitive to price changes and medium and high income consumers resonate to the message of the products purchased and used.

Although Romanian consumers are price sensitive to products purchased and to the image this does not mean that they are not willing to buy products manufactured in Romania. Supermarkets and hypermarkets, have noted the trend toward consumption of national products and chose as part of their policy of placing products on shelves to highlight the Romanian products.

Romanian consumer confidence in domestic products can be seen in the top brands with high impact on consumers conducted in 2010. For the first time since the top is made in first ten is a Romanian brand Dacia. In the seven years preceding 2010 in the top ten were present only international brands. The ranking is obtained by

combining the degree of spontaneous recognition with the score obtained from a combination of five key criteria: popularity, confidence, prestige, optimism and innovation.

Table 1

Top High Impact Brands				
	2007	2008	2009	2010
1	Coca Cola	Nokia	Nokia	Coca Cola
2	Nokia	Coca Cola	BMW	Nokia
3	Ariel	Mercedes	Mercedes	Mercedes
4	Mercedes	Volkswagen	Coca Cola	BMW
5	Adidas	Ariel	Volkswagen	Ariel
6	Audi	BMW	Audi	Audi
7	BMW	Adidas	Ariel	Adidas
8	Nike	Philips	Samsung	Volkswagen
9	Nivea	Sony	Adidas	Dacia
10	Avon	Audi	Nike	Jacobs

Source: Colectia Biz 2008-2010

In another study regarding the national brands (2010) top ten positions are occupied by these brands: Borsec, Dacia, Pro TV, Dorna, Poiana, Timisoreana, Izvorul Minunilor, Cotnari, Ursus, B.C.R. The power of Romanian brands was not measured from financial perspective, but in terms of trust and affection given by consumers. The rank reveals that the tradition is very important for the Romanian consumers but, at the same time, they accept new products easily.

In time there were initiatives to encourage consumers to buy Romanian products made in our country. The program "Made in Romania" was launched in 2000 by the Association for Promoting Products and Services Romania, for domestic producers, regardless the subject of their activity, and consumers. The goal of the program was to help manufacturers in there fight with imported products and to convince Romanian consumers to buy products made in Romania, quality products. To facilitate identification of these products producers participating in the program had the right to burn the logo "Made in Romania" on their products. To qualify for this logo was required that at least 50% of production cost or benefit to refer to production processes or services performed in Romania. Producers who participated in this program had to offer quality products, and that it had proven by: implementing a Quality Management System, or to obtain a certificate issued by an accreditation body, or to be the bearer of marks internationally recognized, or to obtain an award under the program of excellence. The program "Made in Romania" failed to impose. Although the idea was good its application has not given the expected results, one of the causes is lack of funds although the beneficiaries had to pay a fee depending on the brand package features chosen. Currently there are products with the logo "Made in Romania", but due to lack of promotion campaigns at the national level but most Romanian consumers are not familiar with the logo meaning. Another initiative that sought to support domestic producers was in April 2007 when management of the dairy industry, meat, vine and wine were allocated 100000 euro for a campaign that sought to stimulate the consumption of food products national. Campaign slogan was "Prepared in your country!" And the motto which was held under "Do not let the economy die! Eat products made in your country." Even the agency developed the campaign is a company 100% Romanian. However this program has not registered any expected results.

The idea to inspire consumers to purchase there national products was implemented in other countries. Buy national campaigns were carried out in many countries including USA, Portugal, Italy, Japan, France, Canada, Mexico, United

Kingdom, Australia and Croatia. Some campaigns have achieved the objectives set and others, for various reasons have failed to increase consumption of national products. In the UK at the end of '70 years was launched by Prime Minister Harold Wilson a program that urge consumers to consume products made in UK. The slogan was "I'm Backing Britain" - "I support Britain. The purpose was to give an impetus domestic industry in a period where the demand for imported goods was a continuous increase. The program was supported by an advertising campaign at the national level, but was not accompanied by the label mark. But irony, it was found that some of the shirts with the slogan "I'm Backing Britain" had been manufactured in Portugal. Years the British government tried to persuade Britons to eat national product, but its efforts were unsuccessful.

A very important aspect to be considered in implementation of such a program is linked to European legislation. This does not allow states to engage in programs to facilitate the use of domestic over imported goods. The Romanian state is obliged to ensure equal treatment of all EU products regardless of country of origin. Violation of these obligations could result from the EU process as happened with Ireland or Germany. To avoid creating a situation that will attract sanctions from the European partners a program of type "buy national" should be developed and implemented by the private sector without any Romanian state involvement.

A program to determine Romanian consumers to buy domestic products should not turn exclusively to consumer nationalism, and must be supported by products for which the ratio between price and quality is advantageous for the client, with diverse offer and national distribution. Without all these Romanian products included in the program will have only a colorful label which will induce consumers to purchase a product, be it national, of poor quality only once and then to stigmatize domestic products.

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