

ASPECTS REGARDING THE PROMOTION OF FRUIT, VEGETABLES AND FRUIT AND VEGETABLES PRODUCTS IN ROMANIA

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Abstract

The horticultural products exploitation field of study is the taking over, keeping fresh and processing of the vegetables, fruits and other similar products. The valorification of fruits has economical, social (employment, diversification of industrial activities) and alimentary importance. The study of fruit growing Romanian, European and global markets, as well as the study of the ways of promotions used is an extremely complex activity that requires a very well structured, continuous and great amount of work. This fruit market research constantly pursues the production capacities and the exploitation manner of fruit products. This way the farmers are no longer seen as suppliers of raw materials but as necessary, but not central, elements of a very complex circuit. Fruit products market is a mature market, permanently and strongly affected by the favorable or unfavorable developments in demand, by permanently changing consumers needs, by competition and by the evolution of the promotion techniques and methods. Fruit products market is influenced both by its specific factors, as well as by general ones, with reference to socio-political groups.

Key words: fruit and vegetable products, fruit and vegetable industry, return on investment, promotion strategies

The study of Romanian, European and global wine market as well as the research regarding the promotion ways used in the industry involve a very well structured, continuous and complex work, that constantly tracks the production capacity and manner of sale of fruit products. The agricultural producers are no longer seen as raw material suppliers, but as compulsory parts of a complex circuit.

Fruit market is a mature one, strongly and permanently affected by favourable or unfavourable developments in demand, by consumers need that are continuously changing, by competition as well as by technology development and promotion methods.

MATERIAL AND METHOD

The studies have been made during 2007 and 2011, using as sources of information literature from Romania and foreign sources, as well as the Internet as a tool of comparison and of real time search results.

The study aimed at collecting statistical data regarding the current consumption situation, recovery and promotion of fruit, vegetables and fruit and vegetable products in Romania.

RESULTS AND DISCUSSIONS

Trees and shrubs fruits are indispensable in maintaining body health food ratio. They contain sucrose, glucose, fructose, protein, free organic acids, pectic substances, tanoide, based minerals K, Ca, Fe, Mn, Mg, Al, S, P, Si, Cl, B, Cu, etc., 80-85% water, essential oils, vitamins and amino acids. A very important nourishment role is played by products derived from fruit processing such as marmalade, stewed fruit, juices, syrups, fermented beverages (cider), alcohol (cherry, blueberry), and dry fruits

In terms of fruit market (in our country), for a clear set of knowledge there are certain aspects that should be taken into consideration:

- The great variety of products that provides diversified consumption, but also the impossibility of achieving production within the same geographical area;
- The level of very different seasonality for different product groups, resulting an uneven supply, seasonal demands while the forms of the demand are continuously changing;
- The high degree of seasonality which requires operative product quantity management according to consumer's demand;
- Due to suitability demand, producers (bidders) provide fruits and vegetables out of the season

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also, but as frozen or canned fruits/vegetables, juices and so on;

- The zonality of fruit production alongside the existence of a weak trading system determines a high level of self-consumption;
- The high level of perishability requires decision making in order to develop operational programs on the timing and regularity of supply, depending on consumer demand;
- High consumption of inputs;
- On family farms lack of accounting, even primary one, hinders value appreciation of the sold production;
- Fruits have various destinations, such as: fresh consumption, previous storage, industrialization, export and so on;
- The parallel existence of peasant markets alongside state owned or privately held trade companies markets;
- Fruits market is mainly disorganized, unhygienic and unprofitable;
- The failure of practicing a fiscal policy, suitable for individual private producers (due to difficulties encountered by tax base instability).

Producers organizations represent the main players of common organization of fruits and vegetables markets, whose role is to focus the offer and to adapt it to market demand. This way the producers organizations act in the interest of their members.

The national strategy of Romania related to operational programs in fruits and vegetable sector is defined on a 5 years period, starting January 2009.

In 2011 the fruit growing area (fruit orchards) was 155,6 thousand hectares and total fruit production was of 1475,3 thousands tones (total production of orchards plus kitchen gardens) (*table 1*)

Annual consumption of fruits and vegetables per capita in Romania is around 70-80 kilos, while the European average goes up to 90-100 kilos.

From the total surface of 14.7 million hectares that was estimated in July 2011, 218.000 hectares are vineyards and 206.000 hectares are orchards and nurseries (1.4%).

Table 1

Data on area development and production

Specs	UM	2007	2008	2009	2010	2011
Surfaces	Thousand hectares	206	207	205	198.6	155.6
Total Production	Thousand tones	1085.8	1179.2	1323	1419.6	1475.3

In Romania the fruit consumption level is lower than the European level, due to the following aspects (*figure 1*)

- The self-consumption of fruits stands at over 30% of the yields obtained by individual producers;
- The practice of fruits growing on small areas by the individual producers that own 83% of the area cultivated with vegetables and fruits;
- Individual producers have limited financial and material resources, as well as poor mechanical equipment, that lead to lower productivity and productive potential of land;
- Lack of raw materials for fruit processing industry is the main reason why it works at 45% of its production capacity, which has repercussions on the whole fruit production and on individual fruit production.
- Fruit trade in Romania is still disorganized, unprofitable, unhygienic and poor (in certain areas), mainly due to the congestion of the state sector and due to the incapacity of the private sector to ensure the entire demand of such products.

Related to fruits and vegetables promotion and the promotion of fruits and vegetables products, the usage of techniques to promote ease the correct placement of a certain fruits of fruits products distributors on market. The result to this is an optimal recovery of products plus a very good representation of the specific company on the market.

Marketing strategy must be adapted to market and to the economic and social environment, to the technological changes. There must be respected a very well defined and documented plan of the marketing campaigns.

The EU is an ally in developing time scalable marketing strategies. The budgets for these campaigns are also offered by the EU.

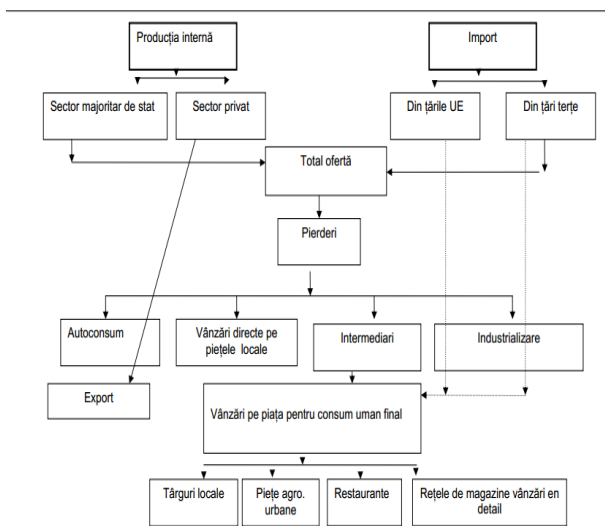


Figure 1 Scheme of fruits and vegetables chain

This way the fresh fruits and vegetables producers can benefit from the decision taken by the EU commission the 24 of April 2010, that distributes aid between member states through the School fruit consumption program. The program lasts between the 1st of August 2010 and the 31 of July 2011.

Bulgaria, Cyprus, Denmark, Hungary, Italy, Malta, Portugal, Romania, Slovakia and Slovenia have already communicated the commission their desire to participate in the EU program as well as to use more than the initial allocation of aid.

Austria, Belgium, Czech Republic, Estonia, France, Germany, Greece, Ireland, Latvia, Lithuania, Luxembourg, Netherlands, Poland, Spain and the United Kingdom have also communicated their desire to participate in the program, but using the allocated resources only (table 2).

Strategies to promote fruit products:

- reflect business relations with different agents;
- give an insight of the dynamic business position / structure / changes / requirements and the market competition;
- take into account the trading systems used by the company.

There are several types of strategies to promote fruit and food products in general:

- Mass marketing strategy(undifferentiated);
- Focused marketing strategy (differentiated);
- Offensive strategy;
- Defensive strategy;
- Self promotion strategy;
- Promotion through specialized agencies strategy;
- Price competitiveness strategy;
- Without price influence competitiveness strategy.

Table 2

Final allocation of aid by Member State

State	co-financing rate %	EUR
Belgium	50	1782 500
Bulgaria	75	2796 889
Czech Republic	73	1988 100
Denmark	50	2482 414
Germany	52	9 973598
Estonia	75	282 400
Ireland	50	512 507
Greece	59	1861 300
Spain	59	6111 471
France	51	5600 000
Italy	58	20940 147
Cyprus	50	384 476
Latvia	75	450 100
Lithuania	75	861 300
Luxembourg	50	175 000
Hungary	69	4 199 256
Malta	75	277 604
Netherlands	50	2100 000
Austria	50	1300 000
Poland	75	9 222 800
Portugal	68	2872 320
Romania	75	9 659 220
Slovenia	75	464 193
Slovakia	73	2502 403
Finland	50	-
Sweden	50	-
United Kingdom	51	1200 000
UE 27	58	90 000 00

Common mistakes in marketing strategies are:

- Repeat the strategy from previous years without updating it to the new condition;
- The venture into the unknown by applying completely new solutions.

Successful strategies are those which determine the market opportunities and competitive advantage, based on the results of marketing control. These strategies reveal risks, favorable circumstances, strengths and weaknesses of the organization.

By translating them into practice it leads to needing to be created such a relationship system between enterprise and environment to ensure its placement in a good position when dealing with competitors.

A successful strategy marks a defining period in the life of the company. This reflects the fact that there have been adopted the best decisions regarding the consumer and the ways in which his needs are met.

Such a strategy indicates the essential aim on a certain period of time, the plan that will be used to accomplish these purposes and the answers to the fundamental questions:

- What needs to be produced and what products will be introduced in manufacturing;

- Which is the market share that needs to be targeted by each product;
- Up to what level can the prices level grow;
- What needs to be communicated to the market segment;
- Which is the best distribution channel for a certain product.

CONCLUSIONS

EU Agriculture Ministers agreed in June 2007 to reform the CMO for the fruits and vegetables sector. The sector policy must meet market requirements by reducing price fluctuations and the imbalance between supply and demand and to encourage the fruits and vegetables consumption while ensuring the competitiveness of products.

In order to encourage the sale of fruit and vegetables a structured approach to promoting is needed. Promotion of fruit and vegetables has a lasting impact on consumption and is one of important measures that producer organizations must achieve.

Promoting the consumption of fresh fruit should be a national consumer campaign while derived products and wine products may take the brand campaign level depending on the target audience.

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