

PLANNING THE MARKETING ACTIVITY ON THE ROMANIAN FOOD MARKET (CASE STUDY AT S.C. KOSAROM S.A. PAȘCANI)

Andy Felix JIȚĂREANU¹, Elena GÎNDU¹, Aurel CHIRAN¹

e-mail: andyj@uaiasi.ro

Abstract

The marketing activity is, in most cases, the main element that makes the difference between companies that compete in the same markets, regardless of their field. Given the increasingly strong competition, differentiating brands in consumers' minds is achieved mainly through marketing strategies and how they are implemented in the market. Food companies, including those in Romania, do not deviate from this rule and give a growing importance to marketing activities. For these actions to be effective, companies must ensure that the marketing process is correlated with the market requirements and company objectives and possibilities, according to a strict and realistic schedule which is made in advance and with clear deployment stages. In this paper, the authors have proposed to highlight the importance of developing a marketing plan, in which all planned marketing activities the company wants to achieve within a certain period would be listed. The case study was conducted at S.C. KOSAROM S.A. Pașcani, one of the most important producers of meat and meat products in eastern and northeastern Romania. Within the developed marketing plan, the following milestones were considered: the objectives, the target customer segments, the competitive platform and tools for communication with the market and proposals for various campaigns: an integrated campaign for Easter, a sales activation campaign during summer, an educational campaign in the autumn and a winter holidays campaign.

Keywords: planning, targets, implementation, marketing plan.

Fierce competition, which acquires new dimensions as a result of new techniques and technologies applied, is a contributing factor to the increasing role of marketing, to its further promoting, especially since the competition, which is happening on a global scale, provides, on the one hand, opportunities and threats, on the other hand. (Gîndu E. et. al., 2014)

The marketing activity is, in most cases, the main element that makes the difference between companies that compete in the same markets, regardless of their field. Given the increasingly strong competition, differentiating brands in consumers' minds is achieved mainly through marketing strategies and how they are implemented in the market.

Food companies, including those in Romania, do not deviate from this rule and give a growing importance to marketing activities. For these actions to be effective, companies must ensure that the marketing process is correlated with the market requirements and company objectives and possibilities, according to a strict and realistic schedule which is made in advance and with clear deployment stages.

Most business strategies are not adequate to the conditions of the markets today. They do not fall in this context, do not distinguish themselves in any way, they are not flexible nor mobilizing. Often, they don't exploit the biggest opportunities and avoid the difficult but important variants that a business has. They rely more on consumption than on competitiveness, on stagnation than on advancement. (Fisk P., 2006).

Marketing should be the driving force of the business strategy, since it ensures that this strategy is determined by the challenges and opportunities on the market and defines where and how the company engages in competition and also the means to win the fight. (Fisk P., 2006)

Strategies are often considered a simple theoretical exercise designed to justify budget allocations, being compromised as soon as people are asked not to do what they did before, but they do not want to, and they start to look just like other companies' strategies, from the same field. They lack the determination, direction and focus that a business needs nowadays. (Fisk P., 2006)

¹ University of Agricultural Sciences and Veterinary Medicine "Ion Ionescu de la Brad" Iasi

MATERIAL AND METHOD

The paper was developed based on information obtained from S.C. KOSAROM S.A. Pașcani. Following discussions with members of the company's marketing department, we have developed a proposal for a marketing plan, based on the needs and expectations of the company.

We consulted various bibliographic sources and established a marketing plan, taking into account the companies' need for action planning and how they can be practically implemented in the Romanian meat and meat products market conditions.

RESULTS AND DISCUSSION

The Romanian market of meat and meat products is characterized by the following landmarks:

- amounts to about 230,000 tonnes per year and is worth over one billion Euros (delivery price) - estimated in 2009.
- consumption of meat per capita in Romania is 9 - 10 kg per year (the latest estimates).
- average pork consumption per capita in the E.U. is 43.2 kg per year, while in Romania the level is 33.1 kg per capita (without own consumption), compared to 18.1 kg in Russia.
- 70% of raw materials for pork products in our country are brought from the European market (estimated in 2011)
- the main competitors on the domestic food market are Cris Tim, Caroli Foods, Aldis Calarasi, Tabco Campofrio, Principal Company, Elit and Angst.

In terms of historical regions, consumption is slightly increased in Banat and Transylvania, but also in Bucharest.

People from Moldova area, unlike those from Transylvania and Muntenia, consume less cooked meat products. Consumers' behavior in Muntenia is very interesting, since they are very close to all the "products in the refrigerator," while the consumers from Bucharest exceed the national averages on all products.

Consumers in Transylvania have several specific features, consuming especially pork meat, well above the national average (88.2% versus 66.2%).

Among the historical regions, there are significant differences when it comes to the criteria which is taken into account at the moment of purchase. Thus, 65% of meat consumers in Transylvania choose depending on the manufacturer and price, while only 45% of Moldova buyers read the information on the label (who fabricated the product, what does it contain), being more interested in price.

Romanian food market is dominated by the selection made on the basis of price. Sales of premium products are low compared to the economic, cheap brands, which are most often purchased.

The criteria taken into account when buying meat and meat products are:

1. To be cheap: 53%
2. To be fresh: 37%
3. To taste good: 31%
4. To not contain additives: 24%
5. To have a low fat content: 20%
6. To be a trusted brand: 18%
7. To not contain MDMs: 17%
8. To contain a lot of meat: 16%
9. To have a "fresh" colour: 15%
10. To look appetizing: 15%
11. To smell appetizing: 12%

(Research of MEMRB, 2012, source: www.fabricadecarne.ro)

Top 5 Romanian producers of meat and meat products are Cris-Tim, Caroli Foods, Aldis, Elit and Scandia. They control approximately 40.5% of the values sold in the retail market and 38.3% of the volumes made available on the market, according to data provided by the market research company MEMRB.

In this paper, the authors have proposed to highlight the importance of developing a marketing plan, in which all planned marketing activities the company wants to achieve within a certain period would be listed. The case study was conducted at S.C. KOSAROM S.A. Pașcani, one of the most important producers of meat and meat products in eastern and northeastern Romania.

S.C. KOSAROM S.A. Pașcani is a company with a long tradition in food processing and selling and has a high reputation in the areas where its products are marketed. It differs from most companies with regional coverage because it pays more attention to marketing activities, managing thus to be competitive in a market which is saturated and in which it has to cope with many large national companies.

KOSAROM is positioned in the consumers' minds as a premium brand that is focused on quality and freshness. Quality orientation also means higher prices, targeting a segment of consumers with above-average or higher income, especially in urban areas, concerned about what they eat and, in particular, what they give to their children or other family members. In over 20 years of existence, KOSAROM has become an important company in Moldova area, with a significant

market share in the counties in this part of Romania (*table 1*).

Table 1

S.C. KOSAROM S.A. market shares in the north-eastern Romania counties

COUNTY	Jan - Sep 2013 (lei)	PERCENT
BACĂU	241,760.04	12.83 %
BOTOȘANI	122,617.48	6.51 %
IAȘI	698,515.80	37.06 %
NEAMȚ	537,210.15	28.50 %
SUCEAVA	47,756.87	2.53 %
VASLUI	14,082.71	0.75 %

Source: S.C. KOSAROM S.A. Pașcani

Within the developed marketing plan, the following milestones were considered: the objectives, the target customer segments, the competitive platform and tools for communication with the market and proposals for various campaigns: an integrated campaign for Easter, a sales activation campaign during summer, an educational campaign in the autumn and a winter holidays campaign.

The marketing plan that has been developed proposes several directions and action plans:

- setting the goals, the target market and the competitive context
- choosing a suitable communication platform and the main messages that will be transmitted to the relevant consumers
- structuring the total budget according to the major campaigns and promotional approaches (*table 2*)
- choosing the media for transmitting information and advertising messages
- establishing four main marketing campaigns to be carried out in 2016
- detailing each marketing campaign's activities, given the most important milestones: objectives, BTL materials, public relations activities and areas where the action will take place
- identifying trade marketing activities for each category of selling points: own stores and franchises, traditional retail, Key-Accounts, HoReCa segment.
- Structuring the promotion budget based on the way the information is transmitted: TV, radio, internet, print, outdoor.

**MARKETING PLAN
S.C. KOSAROM S.A. Pașcani
January - December 2016**

Objectives

Effective and frequent brand communication
Impact visibility by well-chosen media

channels, according to the target

Attracting consumers to the set objectives (commercial or otherwise)

Target

Active people, generally women from urban areas, aged between 25 and 50 years, with average and high incomes

The message will address those with an active lifestyle, receptive and willing to offer a diversified diet to their family

Context

Competitors' promotion activity is high, especially Cris-Tim, Aldis, Caroli, Angst and Elit.

Kosarom - a brand with ambitious targets in terms of sales, so it is necessary to promote itself consistently and with high frequency

In the current economic situation, constant effective and lasting promotion is required

COMMUNICATION PLATFORM

Kosarom:

- a modern brand, but also with tradition
- communicates in terms of consumption benefits: "Enjoy the difference"
- promotes a healthy and dynamic lifestyle, being involved in everyday consumer nutrition
- highlights affiliation and product safety: "100% Romanian", "Quality compels us"

Table 2

**Budget structure for the main campaigns
planned for 2016**

Budget – Campanies 2016	100 %
Integrated Easter Campaign	20,5%
Notoriety Campaign – summer season	12,7%
Educational Campaign	16,2%
Winter Holidays Campaign	17,4%
Trade marketing (own stores and franchises, Key Accounts, HoReCa)	17,5%
PR Brand Notoriety Campaign	15,7%

Source: S.C. KOSAROM S.A. Pașcani

1. ATL Promotion - based on an integrated concept of creation:

- branding in stores (window / showcase stickers, light boxes, covers, interior and exterior frames)
- outdoor (billboards, transit on buses, meshes, banners)
- personalized stationery (offers, letterheads, business cards, correspondence)
- information material (catalogs, presenters, flyers, brochures)
- POSM (shelf labels, wobblers, displays, bags, wrapping paper, posters, roll-ups, etc.)
- equipment for sales staff and promoters (seasonal specific campaigns)
- promotional materials (useful items for home,

- leisure time and personal development)
- packings (for bulk, vacuum and casserole products, or manipulation packaging)
- 2. Audio - Visual promotion
 - TV appearances (various culinary programs or with a special cooking section)
 - radio broadcasts (various awareness or specific campaign spots: Kiss FM, Magic FM)
 - video presentations (at some events or in retail)
- 3. On - line promotion
 - company website: English version
 - banners on partner sites and specialized publications

CAMPAIGNS PLAN FOR 2016

• Integrated Easter Campaign (March - April 2016)

- sales activation
- launching new products (various weights or packages)
- increasing brand awareness among end consumers
- Kosarom products consumers' loyalty increase
- sellers and customer loyalty increase through: Easter greeting cards, e-cards, product packages

BTL:

- sampling actions - tasting products
- new products enabled by promotional offers, indicating their benefits / packaging / presentation forms, in the traditional market and own stores
- placing POSM materials in the retail market and in the commercial galleries of hypermarkets

PR:

- **Kosarom Promise: 100% Romanian products and services, worth savored, in terms of guaranteed quality.** This promise must differentiate Kosarom from competitors and customize the brand
- the release of new products / packages will focus on the following key - concepts: "**flavor**", "**safety**" and "**efficiency**"
- launching a discussion forum named "let's eat Romanian" (double meaning: Romanian cuisine and Romanian products)

Action segments: retail market, own stores and franchises

• Sales activation campaign in the summer time - "Kosarom takes you out for a grill" (July - August 2016)

- sales enabled for the main categories of products that can be consumed easily in the warm season and holidays
- promoting seasonal products: minced meat rolls, fresh sausages, etc.

BTL:

- sales enabled for targeted products, in association

- with strong, high reputation brands, such as Coca Cola
- Cola
- the campaign is conducted only in own stores and consists of promotional packages "a casserole of minced meat rolls + 1.5 liter bottle of Coca Cola at discounted price per package"
- special barbecue products labeled with a splat scrape, with specific summer season prizes

PR:

- message: "**Kosarom takes you out for a grill**"

Action segments: retail market, own stores, franchises, shopping centers

• Educational campaign "Enjoy your health" (September - October 2016)

BTL:

- health caravan: the promoters team will also include a doctor
- educational campaign on all age groups: school supplies packages will be distributed for children, adults will receive leaflets about nutrition and consumer tips on various product lines and for people over 55 years old there will be informative materials about food conduct adapted to their age.

PR:

- information campaign on the benefits of meat consumption and food products diversity, in collaboration with the ministries of health and education and other producers (dairy).
- information materials: booklets, outdoor, TV and radio spots

Target messages and actions:

- children: educational activities in schools, message based on harmonious growth-related benefits
- adults: 20-55 years: information campaigns, messages such as "*Healthy food, healthy body*" or "*A good day starts with breakfast*"
- segment between 55-70 years: awareness-raising messages about the importance of nutrition: "Eat healthy, age gracefully"

Segments of action: schools, traditional shops, retail, Key Accounts.

• Campaign during the winter holiday season (November - December 2016)

BTL:

- promotional campaigns for customers and Kosarom partners
- enabled sales for season products category
- "*Discover your gift from Kosarom*" - instant-win campaign, for the end consumer, implemented by scratch labels attached to various Kosarom products
- promotional campaigns with discounts before Christmas and sales campaigns thresholds conducted among sellers in stores

PR:

- the awareness campaign "**Discover your gift from Kosarom**" supports healthy eating and sports
- media coverage of Kosarom's involvement in improving the lives of consumers
- prizes consisting in trips to the mountains or skiing and swimming lessons
- sponsorship actions of seasonal activities (winter sports)
- launching toys that carry the campaign message, which are offered to disadvantaged backgrounds children (hospitals, orphanages); this can be implemented in partnership with an NGO
- sponsorship and corporate social responsibility campaign - Christmas trees adorned by Kosarom and placed in certain strategic locations

Action segments: retail market, Key Accounts, own stores and franchises

TRADE MARKETING

Promotions of this kind will be specific to each addressed area and market channel:

1. Own stores and franchises

- quarterly Kosarom brochure (magazine), distributed in proximity area and in stores, with various promotions and recipes
- loyalty cards with point values for own stores (prizes or promotional items)
- "*delicious weekend*" - every Saturday a product or a product package that is on promotion will be tasted
- focus group (quarterly) with Kosarom "tasters" for developing new products or new packaging – tasters will be chosen from the loyal buyers
- information and promotion programs to market new meat products

2. Traditional retail with development potential

- promotional materials for the sales staff (equipment, bags, wrapping paper, pens, notebooks)
- generic and campaign specific POSMs
- contests for the sellers and store owners on sales targets
- "mystery client"

3. International Key Account Networks

- associating with partners in buyers' loyalty campaigns – example: VAT free day or various promotional packages: a product + 50% off the second product or a product + a gift
- involvement in campaigns proposed by Kosarom partners
- sampling campaigns (with a mascot)
- instant-win campaign

4. HoReCa segment

- specific promotional materials (naprons, napkins, lithographs, equipment for waiters, umbrellas, recipe books, etc)
- gastro products promotion campaign
- sponsorship of seminars and activities organized for restaurants' managers
- loyalty program for restaurants' managers or sponsoring events organized in tourist areas

Most of the marketing budget will be allocated to communication through the mass media (32%), followed by BTL actions (24%) and point of sales promotion (14%) (*figure 1*).

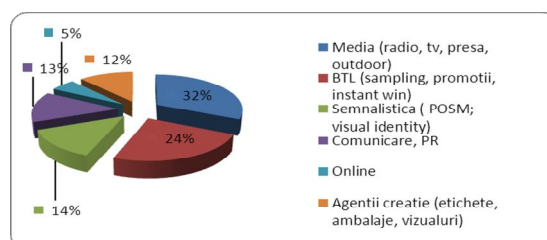


Figure 1 - Distribution of marketing budget on the main communication channels

Almost half of the budget will be used for promotion on Pro TV (46.1%) and 28% for Antena 1 (table 3).

Table 3

Targeted TV channels in 2016 - split buget

TV stations	%
Pro TV	46,1%
Antena 1	28,0%
TVR 1, Prima TV, Kanal D	14,4%
Realitatea TV	8,6%
Național TV	2,9%
TOTAL	100,0%

Source: S.C. KOSAROM S.A. Pașcani

In terms of radio promoting, the highest share goes to Kiss FM, with 55.6% of the total (table 4).

Table 4

Targeted radio channels in 2016 - split buget

Radio stations	%
Kiss Fm	55,6%
Europa FM, Radio ZU, Impact FM	22,2%
Radio 21	22,2%
TOTAL	100,0%

Source: S.C. KOSAROM S.A. Pașcani

The budget for print promotion will be divided as follows: 50% - business magazines,

40% - women's magazines / kitchenware and 10% - newspapers (*table 5*).

A for outdoor advertising, transit and stationary means each hold 38%, while for the advertising caravan 24% of the budget will be allocated (*table 6*).

Table 5

Targeted print media channels in 2016 - split buget

Print media channels	%
Newspapers	10,0%
Magazines for women / cooking	40,0%
Business magazines	50,0%
TOTAL	100,0%

Source: S.C. KOSAROM S.A. Pașcani

Table 6

Targeted outdoor channels in 2016 - split buget

Outdoor channels	%
Outdoor transit	38,0%
Outdoor stationary	38,0%
Advertising caravan	24,0%
TOTAL	100,0%

Source: S.C. KOSAROM S.A. Pașcani

CONCLUSIONS

The marketing activity is, in most cases, the main element that makes the difference between companies that compete in the same markets, regardless of their field. Given the increasingly strong competition, differentiating brands in consumers' minds is achieved mainly through marketing strategies and how they are implemented in the market.

Food companies, including those in Romania, do not deviate from this rule and give a growing importance to marketing activities. For these actions to be effective, companies must ensure that the marketing process is correlated with the market requirements and company objectives and possibilities, according to a strict and realistic schedule which is made in advance and with clear deployment stages.

S.C. KOSAROM S.A. Pașcani is a company with a long tradition in food processing and selling and has a high reputation in the areas where its products are marketed. It differs from most companies with regional coverage because it pays more attention to marketing activities, managing thus to be competitive in a market which is saturated and in which it has to cope with many large national companies.

Within the developed marketing plan, the following milestones were considered: the objectives, the target customer segments, the

competitive platform and tools for communication with the market and proposals for various campaigns: an integrated campaign for Easter, a sales activation campaign during summer, an educational campaign in the autumn and a winter holidays campaign.

The marketing plan is designed according to the specific of the Kosarom brand, to the ideas and values that the company wants to transmit to the target-market, but also to the company opportunities, in the current conditions: budget, objectives, competitors, market share, relationship with trading partners and positioning the brand in the consumers' minds.

The market success of a regional company producing meat and meat products (such as S.C. KOSAROM S.A. Pașcani) depends largely on how the marketing activities are able to provide a competitive advantage and, in particular, to identify and use one or more elements of differentiation from competitors, in order to create and maintain an identity on the market, a distinct place in the minds of the consumers and an amount of features that constitute the image of a strong and competitive brand.

REFERENCES

- Boone L., Kurtz D., 2001 - *Contemporary Marketing*, 11th Ed., The Dryden Press / HBJ, USA.
- Chiran A., Gîndu E., Banu A., Ciubotaru E.A., 2003 - *Marketing agroalimentar – teorie și practică*, ed. a II - a Ed. PIM, Iași.
- Demetrescu M. C., 1993 - *Comportamentul consumatorului și decizia de cumpărare*, Rev. Marketing - Management, AROMAR, nr. 4., București.
- Dubois P.L., Jolibert A., 1989 - *Marketing – Teorie și practică*, vol I, Ed. Economica, Paris.
- Farris P.W., Moore M.J., 2004 - *The Profit Impact of Marketing Strategy Project: Retrospect and Prospects*, Ed. Cambridge University Press, Cambridge.
- Fisk P., 2006 - *Geniu în marketing*, Ed. Meteor Press, București.
- Gîndu E., Chiran A., Jităreanu A.F., 2014 - *Marketing agrar*, Ed. PIM, Iași.
- Hinescu A., Burja C., Bolog A., 2003 - *Planificarea strategică de Marketing*, Rev. Tribuna Economică, nr. 22.
- Kotler Ph., 1998 - *Managementul marketingului*, Ed. Teora, București.
- Kotler P., Trias de Bes F., 2004 - *Marketing lateral: Noi tehnici pentru descoperirea ideilor de succes*, Ed. Codecs, București.
- McDonald M., 1998 - *Marketing strategic*. Ed. Codecs, București.
- Niculescu E. et al., 2000 - *Marketing modern - Concepte, tehnici, strategii*. Ed. POLIROM, Iași.
- Tracey-White J.D., 2003 - *Planning and designing rural markets*. Food and Agriculture Organization of the United Nations, Rome, Italy.