

# NEW TENDENCIES IN DEVELOPING MARKETING STRATEGIES FOR THE FRUIT-GROWING SECTOR

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## Abstract

*After more than two decades since the events on December 1989 and nine years after the integration into the European Union, Romania is still a country that faces a multitude of problems regarding its alignment with the EU's agricultural sector. The current paper presents the situation of the fruit-growing sector nowadays and focuses new ideas and proposed marketing practices towards developing this sector. Agri-food marketing has a significant importance due to the place occupied by agriculture in Romania's economy. In modern conception, marketing implies not only satisfying consumption need, but also has the purpose of accomplishing this challenge, as well as the impact of long term consumption. Thus, the study of the fruit-growing problem in Romania becomes important, a sector on the downfall after the events in 1989, sector that has to be revitalized through implementing a new themed sub-program regarding the competitive growth of the fruit-growing sector. This paper presents a new marketing model that can be utilized towards promoting local fruit-growing produce, meaning integrated marketing. The local fruit-farming offer does not meet the internal necessary requirements. By applying this new marketing idea, you can ensure Romania's fruit-farming produce competitiveness in the European market.*

## Keywords

*fruit growing; marketing; competitiveness; agri-food sector.*

## Introduction

Agriculture, for immemorial times, is an important branch of Romania's economy. Romania's rural areas are now facing three major problems: the low number of non-agricultural activities taking place in rural areas, the high number of family agricultural undertakings with a low production of products that are mainly destined for self-consumption and the poor development of rural areas compared to urban areas. Furthermore, towards eliminating the upper mentioned problems, at central institution levels a new national rural strategy frame for 2014-2020 was created, that targets the following priorities:

- Ensuring food safety and security for internal consumption;
- The balanced development of Romanian rural territory and reducing the discrepancies between regions;
- Preserving and protecting natural resources;
- Balancing the food and commercial scale through increased exports;
- Modernising agricultural undertakings through investments in infrastructure;
- Ensuring the consumption requirements with high quality products;
- Increasing employment in rural environments through developing adjacent activities.

The specialized literature used in the making of this study engulfs investigative information from scientific institutes on the field, taking into account legislative measures in the fruit-growing sector. The basis of information was created by the National Statistics Institute, reports realized by the Ministry of Agriculture and Rural Development and the European Commission. The theoretical part is depicted by the books of authors Kotler Ph. si Porter M.E.

## 1. The Romania fruit-growing sector

Being an ancestral occupation in our country, fruit-growing began its downfall in the past 25 years. Prior to the end of the communist era, the Romanian fruit-growing heritage added up to 150.000 hectares. Nowadays, the situation of lands used for fruit orchards is as follows:

**Table 1 Fruit orchards situation in Romania**

		-hectares-				
Year Hectares	2010	2011	2012	2013	2014	
Fruit orchards	144.844	140.048	142.424	147.435	140.820	

(Source: www.insse.ro)

As we can see, starting with the year 2011 a slight increase in surfaces exploited by fruit orchards can be seen, approximately 7.000 hectares. The decrease of surfaces exploited by fruit orchards was attributed to multiple factors, among which:

- The lack of proper infrastructure towards maintaining the health and quality of fruit orchards;
- The incontrollable clearing of fruit orchards;
- Ageing trees and not replacing those with new strands adapted to new pedoclimatic conditions and/or pest;
- The lack of investments in the field (storage, stocking, processing);
- The depopulation of rural areas.

Fruit-growing produce are gaining importance in everyone's nourishment and in maintaining a healthy lifestyle. Fruit-growing is a considerable income source and it plays a very crucial role towards developing internal and external commerce. Furthermore, it also contributes to the development of related sectors (fertilizer, pesticides, agricultural machinery, seeds) but also transport, distribution, packaging, storage and many others.

**Table 2 Fruit-growing production in Romania**

		- tons -				
Year Production	2010	2011	2012	2013	2014	
Total	1.419.618	1.479.907	1.128.594	1.299.972	1.301.428	

(Source: www.insse.ro)

The data from the table above represent the total quantity of fruit gathered from fruit orchards, trees and berries, including household farms. The offer for fruit-farming produce destined for consumption varies from year to year. Therefore, while in 2010 the total production was at about 1,4 million tons, in 2012 production is barely at 1,1 million tons. This happened due to weather conditions (floods and droughts). Also, even though the total fruit production depicted in the table varies (contains total production of apples, pears, plums and many others), the added value of the products is small. This is possible due to the lack of marketing skills meant to ensure the product's appeal to the consumer. Furthermore, crisis situations can be seen on the fruit farming market, like:

- Production that does not take into account market requirements;
- Extreme weather;
- Tree pests and disease;
- Imports.

## 2. The marketing of Romanian fruit-growing products

The classic marketing plan is based on “the four Ps”: Price, Product, Placement, Promotion, becomes insufficient for nowadays consumer’s needs. The new marketing plan must cover the consumer’s need by customizing it within the products offered to the whole consumer mass.

Fruit-growing produce are just a link in the chain of nutritional produce, thus implying that fruit-growing marketing is a part of agri-food marketing.

Nowadays, marketers must take into account not only satisfying the consumer’s need but also the tendencies displayed in various states around the world in their process of guaranteeing food safety and security for their citizens.

Factoring in that approximately 45% of Romania’s population lives in rural areas, and their main pursuit is agriculture, agri-food marketing in general, especially the one aimed towards fruit-growing produce, have a great importance for the whole sector.

On a national level, agriculture is one of the main branches of internal economy, and its contribution towards the GNP is situated at around 6%.

Towards defining the concept of fruit-growing marketing in a proper manner we must start first with defining the concept of fruit-growing produce. The first component of the notion of fruit-growing produce is represented by its origin, followed by its destination. Therefore fruit-growing produce are fruit harvested at maturity meant to be consumed fresh or processed.

In another train of thoughts, fruit-growing produce, looked at from a marketing perspective brings together the elements of what triggers consumer’s request in the market.

Taking into account the turbulent environment of the XXI century it is imposed that marketing is no longer viewed solely through “the 4 Ps” (price, product, placement, promotion) but through a vision that would benefit the consumer, the business, the environment and the community. The new face of fruit-growing marketing must factor in the integration of all participants to this process, whose output can create an effect of synergy, being advantageous for consumers, producers, distributors, sellers, the community, the society including the environment.

Fruit-growing marketing should target particularities like:

- Satisfying the consumer’s needs by referencing the necessary nutrients of basic nourishment;
- Promoting products through communication, by informing the consumer with regards to the product (origin, cultivation, harvesting and storage);
- Empowering the commercial effect of fruit-growing products offered to consumers by using intangible elements like brand, label and so forth;
- Capitalizing producers efforts by distributing fruit-growing products at the time and place requested by the consumer, at the price, quality and quantity that the market requires;
- Maintaining biological purity of fruit-growing products being made available to consumers, variable that can influence the perception of the products value;
- Well organized promotional campaigns set in place before placing fruit-growing products on the market, given their high degree of outage and seasonal nature;
- A great information campaign with regards to the positive effects on how healthy it is to it fruit-growing produce, thus increasing demand which implies the increase of consumption, with positive effects for the producers.

The specificity of fruit-growing produce (outage and the seasonal nature) imply a customized approach towards the elements of the marketing mix, and the recipe of guaranteed success.

For Romania, between 2014 and 2020 the national Rural Development Programme includes an article destined for processing/marketing of fruit-growing produce. This article comes to the support of fruit-growing farmers by offering irredeemable funds for investments in business regarding processing and selling produce and products resulted from processing.

The main objectives of this article firstly represented by the following:

- The modernization of selling and processing units and establishing new ones;
- Improving the internal quality control of products offered in the market;
- Increasing the added value on fruit-growing produce;
- Introducing new technologies towards developing new products
- Creating new jobs;
- Implementing production, storage, promotion, distribution strategies using eco-friendly means with low energy usage.

Furthermore, by implementing new measures destined for the fruit-growing sector, Romanian fruit farmers must understand that the expansion of surfaces occupied by fruit orchards, the formation of new fruit-growing producer groups with the purpose of meeting the internal consumption requirements, increasing the number of fruit processing, storage and conditioning units; the creation of new jobs for the people living in rural areas, increased quantities with a better quality offered to consumers, changing the traditional production way and implementing new eco-friendly technologies, the use of an effective management and new marketing approaches throughout the fruit-growing sector.

By applying the model of the “five forces” (Porter, 1985) I will empirically analyze consumer preferences compared to the other elements that compile the fruit-growing produce market.

The first entity, the consumer, is the key of the model. The consumer’s need applies the highest pressure on all the components of the marketing mix. By analyzing the national database we can come to the conclusion that fruit-growing produce imports are much higher than local production from a quantity point of view, as well as from a monetary perspective. Through massive imports of fruit-growing products we increase by the same percentage, thus putting pressure on internal fruit farmers. With the integration of Romania in the European Union structure, the life standard and consumption patterns have changed, and with regard to fruit-growing products, the liberalization of markets meant an abundance of products with high standards of quality, appealing aspect, this favouring the consumption of imported products as opposed to inland products.

The suppliers, the second entity in Porter’s model, are participants with a particular influence in establishing the degree of profitability of fruit farmers or vice versa. The various types encountered on the fruit-growing market, are: seed suppliers, land suppliers, chemicals suppliers and suppliers of other connected services. All these have a very important role along the fruit sector. Due to the fact that on our country’s territory there are rather few fruit farmers, my recommendation with regards to optimizing acquisition costs of services or products available by the upper mentioned suppliers, is represented by the organization of fruit farmers into clusters. Hence, the fruit offers will place large orders for suppliers, thus being able to optimize their costs with effects in two directions: either increase profits, or get fruit-growing produce at considerably lower prices.

Imports, the third entity taken into account, wield the highest pressure on inland farmers. Firstly, the price of imported produce, most often considerably smaller than inland produce, that being possible through the enormous quantities being imported into our country. Thanks to the low quality of life in Romania, the population directs its attention towards import products rather than Romanian products. My recommendation in this case for local farmers is to identify local niche markets and target those.

The potential new comers, the fourth force factored in, are represented by potential foreign farmers that come to Romania to start a fruit-growing business, but also by the potential fruit distributors that can provide a counter offer to local farmers. Through the liberalization of market, by adhering to the EU, the lack of taxes, new comers can damage local farmers' profitability. The only barrier that can diminish the success of new comers on the market is represented by pointing public attention to local farmers. Even though imported fruit are considered expensive, of a low quality or unhealthy, through a good promotion campaign they can ensure their success in local markets. My recommendation for local fruit farmers is to form fruit farmer groups and unite under a common brand, therefore making it easier for products on the shelves to be identified as Romanian.

The fifth entity considered in this analysis is represented by the local offer of fruit-growing produce. Even though weak from a quantity point of view, approximately 60% of the local production comes from individual farmers, the rest from agricultural enterprises. This brings a heavy blow to the export potential of local produce. In this situation, the efforts should pursue, aside from organizing into farmer groups, they must go towards the homogenisation of the offer with the purpose of increasing negotiation powers and its importance on external markets.

Marketing, looked at through an integrative view, must focus not only on its activity but on the end goal of the campaign. Taking into account that society is in continuous change, as well as production dynamic's techniques, distribution, preservation and conditioning of products in general, fruit farming products in particular, the only successful solution is by approaching the marketing mix as a whole. This approach implies the evaluation of the common impact of all the operators throughout the fruit-growing sector. The performance of the fruit-farming sector must be based on synergy and stability between all participating entities, starting with producers working up to end consumer.

Kotler (2005) states that the "expected product" represents the third level of a product, which means a product that meets all of the consumer's expectations. Via an harmonious timing of marketing policies the effect of synergy will be accomplished by ensuring customer fidelity. Re-launching the fruit-growing industry in Romania can be accomplished thorough the creation of producer clusters. A group of fruit-farmers will have a lot more negotiation power towards breaching external markets, but also towards ensuring the consumption requirements of our citizens.

In another train of thought, the synergy effect created within these producer groups will have positive influence on their efficacy. On the other hand, within these groups the dissemination of information with regards to new strands of trees that appear, new production technologies, but also the experience trade will be much more effective. This will lead to the increased performance level of the sectors both internally and externally.

### **Conclusions**

The local fruit-growing offer is insufficient to satisfy the nowadays consumption needs for our country. A raised level of fruit-farming products pressure on the local production. Due to the lack of a broader view of fruit-farming marketing, the local markets become more and more vulnerable to the pressure exercised by the imported products.

Marketing activity must not be looked at by summing up the local assets. Due to fast changes, marketing policies must engulf among the classic 4Ps other concepts like territorial durable development, ensuring bio-food for consumers, and reducing the greenhouse effect.

A new direction must be pursued by local farmers with account to marketing activities. The creation of a synergy effect is pursued, starting from fruit-farmers to the end consumer. Also, through a correct approach to marketing activities, the synergy effect created will reflect not only on the producer or consumer, but the national economy.

**Acknowledgement**

This work was cofinanced from the European Social Fund through Sectoral Operational Programme Human Resources Development 2007-2013, project number POSDRU/187/1.5/S/155656 „Help for doctoral researchers in economic sciences in Romania”

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