

**MARKETING STRATEGIES
ON THE DEVELOPMENT OF THE VEGETABLE
GROWING IN THE “LUNCA SIRETULUI - BACĂU
DISTRICT“ MICROZONE**

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Received February 13, 2008

ABSTRACT – The elaboration of the marketing strategy represents a continuous and extended process of information, analysis and decision, a continuous searching of optimal solutions for solving the well-defined problems. The marketing strategy represents a decision expressing the resolution of a complex process, supposing the analysis of strategic elements and establishment of strategic alternatives, for choosing the strategy for each stage, product or market. For elaborating the marketing strategy, it is necessary to begin from the competition position of the agricultural company, the place the company wants to conquer, the potential of the company and the competitive environment within the company. The elaboration of marketing strategy establishes, on the one hand, the directions of achieving the strategic objectives, requiring specific actions (market division, establishing the target group and the position of a certain product or service) and, on the other hand, the structure of marketing mixture to implement the chosen strategy. In practice, there are many strategic variants, which may be applied due to the various aspects taken into account for their establishing. If we have in view the way the farming companies react to different solicitations of the external, direct or circumstantial environment, we may define types of strategies, depending on certain criteria. Choosing a favourable strategy depends on the competence of the marketing manager, the managerial team of the company, the capacity of understanding the environment within the company and of organizing the company to take advantage of the opportunities that may appear, if we take into consideration that the marketing strategy must guide the company towards a more competitive position on the market. The authors emphasized the strategic

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variants for developing the vegetable growing in the “Lunca Siretului - Bacău District” microzone, the next period up to the year 2012, for ensuring the need of vegetable consumption for the local population.

Key words: strategies, production, prospects, vegetable growing

REZUMAT - Strategii de marketing privind dezvoltarea legumiculturii în microzona „Lunca Siretului - județul Bacău”. *Elaborarea strategiei de marketing este un proces amplu și permanent de informare, analiză și decizie, un proces epuizant de căutare a soluțiilor optime pentru rezolvarea unor probleme clar definite. Strategia de marketing este un act decizional ce exprimă rezultatul unui proces complex, a cărui fundamentare presupune: analiza factorilor strategici și formularea alternativelor strategice, din care se va alege strategia pentru fiecare etapă, produs sau piață. În conceperea strategiei de marketing trebuie să se pornească de la poziția concurențială a firmei agricole, locul pe care ea dorește să-l ocupe, potențialul pe care îl are la dispoziție și mediul concurențial în care ea acționează. Elaborarea strategiei de marketing presupune, pe de o parte, stabilirea direcțiilor de realizare a obiectivelor strategice, ceea ce solicită acțiuni specifice (segmentarea pieței, stabilirea grupului țintă și poziționarea produsului sau a serviciului respectiv), iar pe de altă parte, alcătuirea mixului de marketing, prin care se va implementa strategia aleasă. În practică, există o multitudine de variante strategice, ce se pot aplica datorită multiplelor aspecte de care trebuie să se țină seama în stabilirea lor. Dacă avem în vedere modul în care reacționează firmele agricole la solicitările mediului extern, direct sau indirect, putem delimita tipuri de strategii, în funcție de anumite criterii. Alegerea strategiei de succes depinde, în mare măsură, de abilitatea managerului de marketing, a echipei manageriale a firmei, de a interpreta mediul în care își desfășoară activitatea și de a se organiza, în așa fel încât să fructifice la maximum oportunitățile ce se ivesc, dacă ținem seamă de faptul că strategia de marketing trebuie să plaseze firma într-o poziție mai competitivă pe piață. Autorii și-au propus să evidențieze variantele strategice de dezvoltare a legumiculturii în microzona „Lunca Siretului - județul Bacău”, în vederea asigurării nevoilor de consum la legume pentru populația locală, la orizontul anului 2012.*

Cuvinte cheie : strategii, producție, previziune, legumicultură

INTRODUCTION

The experience confirms the opinion expressing that “a company has at hand only a small number of fundamental strategies”, such as: a peaceful coexistence or “nothing to do”; a direct assault or prices competition; an indirect assault or a flank attack, making use of the product, the distribution and/or the promotion; an avoidance or evasion of the competition through innovation; the drawing back – a planned decision to renounce at engagement.

The manager has the competence to select a certain number of limited strategic possibilities, which can be defined in most cases, according to the two dimensions of the vectorial matrix of development created by Igor Ansoff: mission or markets (consumers or demand) and technology or product (companies or offer).

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Malcom Mc Donald synthesizes 12 recommendations for more efficient marketing strategies: understanding the sources of competitive advantages; understanding the differentiation; acquiring knowledge about business environment; acquiring knowledge about the concurrent companies; study of strengths and weakness; study of the market dynamics; understanding the concept of the product or market portfolio; establishing the priorities and respecting them; understanding the orientation with view to the client; professionally high standard and capability to manage a company.

The performed studies confirm that “the main elements of a successful recipe are the four elements common to all prosperous companies in the world” (Pekar, Tălmăciu, 2006), such as the offered product or service, which must be exceptional; production processes, which must be efficient; creativity in managing the human resources; marketing activity, which supposes the continuous control of the environment, market, concurrent companies and own performances, as well as the elaboration of a strategic plan, which establishes the contribution of each company’ employee.

The adoption of an efficient marketing strategy represents incontestably a decisive moment, but not sufficient to guarantee the company’s success, because putting into practice involves some precise actions, such as using a specific tactics, which represents the marketing mixture (Chiran et al., 2004; Chiran et al., 2007; Gîndu, 2007; Pekar, Tălmăciu, 2006; Zăhău et al., 2005).

MATERIALS AND METHODS

The study was conducted in the “Lunca Siretului - Bacău District” microzone, which contains 28 localities, having an average area of 2906 hectares cultivated with vegetables (Alistar et al., 2005).

The study performed in the “Lunca Siretului – Bacău District” microzone was based on many research methods, which aimed at gathering data from internal and external sources, selecting, classifying, processing and analysing the results, drawing conclusions and specific recommendations (Ciurea et al., 1996).

Among the methods used in the strategic analysis of the agricultural or/and agro-alimentary company, we mention the following methods for emphasizing the threats and opportunities of the market: the BCG method (Boston Consulting Group), the General Electric Mc Kinsey method, the PISM method (Profit, Impact and Strategic Marketing) and the Parker method (Boier, 2001).

RESULTS AND DISCUSSION

The importance of the vegetable consumption by humans represents an indicator, which evaluates the living standard of the people (Ciofu et al., 2003; Stan et al., 2001).

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In the countries of the European Union, the mean annual vegetable consumption per inhabitant was of 120.8 kg, representing less than the average in the developed countries, such as Italy with 173.2 kg, Belgium-Luxemburg with 137.4 kg and France with 123.3 kg, etc.

The constituent parts of the market strategy define the role and place occupied on the market by the farming or/and agro-alimentary company, and focus on the quantity of offered and sold products, company management, products competitiveness and company synergy, that express the simultaneous action of all internal factors, which generate the total effect.

A general view on the performing fields of the product strategy led to the conclusion that they could be classified in two main groups. The first group focuses on the product, while the second one, on the offer program, product warranty and services for client.

Under conditions of the “Lunca Siretului – Bacău District” microzone, the product strategy had in view the complete satisfaction of the vegetable consumption demand by local population, on short term – at a minimum level and on medium term – on the horizon of the year 2012 (*Table 1, Figure 1*).

Table 1 - Forecasts on the horizon of the year 2012 concerning the evolution strategy of the area cultivated with vegetables, on species, in the studied microzone

Specification	Area							
	Average 2002-2006 V ₀		V ₁		V ₂		V ₃	
	ha	%	ha	%	ha	%	ha	%
Total vegetables, of which:	3112	100	3112	100	3112	100	3112	100
Dry onion	552	17.7	560	18.0	560	18.0	618	19.9
Dry garlic	194	6.2	200	6.4	200	6.4	250	8.0
Carrots	239	7.7	260	8.4	302	9.7	280	9.0
Eggplants	98	3.1	115	3.7	115	3.7	100	3.2
Tomatoes-total	520	16.8	600	19.3	600	19.3	580	18.6
Peppers-total	328	10.5	340	10.9	410	13.2	350	11.2
Cucumbers-in the open field	163	5.2	180	5.8	180	5.8	180	5.8
Cabbage-total	435	14.0	420	13.5	430	13.8	482	15.5
Other vegetables	583	18.8	437	14.0	315	10.1	272	8.8

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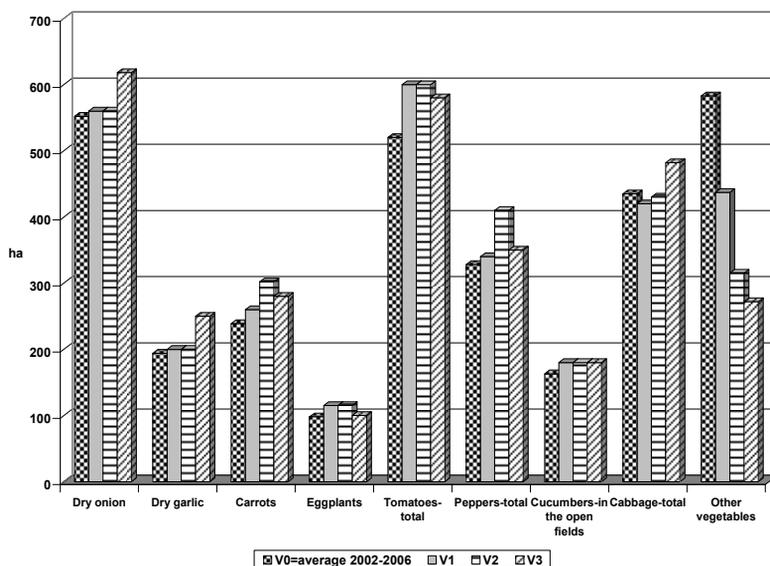


Fig. 1 –Forecasts on the horizon of the year 2012 concerning the evolution strategy of the area cultivated with vegetables, on species, in the studied microzone

Compared to V_0 , the following changes of the area occupied with vegetable cultures have been recorded, with obvious differentiations on species:

- The increase in the area occupied with dry onion from 1.44% (V_1, V_2) to 11.95% (V_3);
- The increase in the area occupied with dry garlic from 3.09% (V_1, V_2) to 28.86% (V_3);
- The increase in the area occupied with carrots from 8.78% (V_1) to 17.15% (V_3) and 26.35% (V_2);
- The increase in the area occupied with eggplants from 2.04% (V_3) to 17.34% (V_1, V_2);
- The increase in the area occupied with tomatoes-total from 11.53% (V_3) to 15.38% (V_1, V_2);
- The increase in the area occupied with cucumbers cultivated in the field, by 10.42% (V_1, V_2, V_3);
- The diminution in the area occupied with cabbage-total from 1.15% (V_2) to 3.45% (V_1) and the increase in the area by 10.80%, in case of V_3 ;
- The decrease in the area occupied with other vegetables from 24.92% (V_1) to 53.35% (V_3).

All these changes had in view the consumers' needs and the favourableness of the territory within the "Lunca Siretului – Bacău District" microzone for the culture of different vegetable species.

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The total population of the “Lunca Siretului – Bacău district” microzone counts 308,568 inhabitants, representing 43.66% of the total population from Bacău District, out of which 56.2% live in the urban zone and 43.8% in the rural zone.

Taking into account the possibilities of production and the consumers’ needs, the authors have elaborated the following two variants: V_1 – minimum consumption and V_2 – maximum consumption (*Table 2*).

Table 2 - The annual need of vegetable consumption for the population of the Bacău District and the “Lunca Siretului – Bacău District” microzone

Specification	Total tons in the Bacău District		Of which:	
	V_1	V_2	“Lunca Siretului” microzone - tons	
	-minimum	-maximum	V_1 -minimum	V_2 - maximum
Vegetables – total, of which:	90440	130233	38571	55542
Tomatoes - total	25323	36176	10800	15428
Cabbage group - total	18088	21706	7714	9257
Dry onion + dry garlic	13023	14470	5554	6171
Cucumbers – in the open field	5788	10853	2469	4629
Peppers - total	5788	7235	2469	3086
Eggplants	3618	7235	1543	3086
Other vegetables	18812	32558	8022	13885

The forecast of the total vegetable offer in the “Lunca Siretului- Bacău District” microzone was differentiated in three variants, compared to the control variant, correlated with the cultivated area and the average production per hectare (*Table 3, Figure 2*).

By comparing the three variants to the annual necessary consumption of vegetables for the permanent inhabitants of the “Lunca Siretului – Bacău District” microzone, we found out the followings:

- **in V_1** – the first variant of ensuring a quantity of 125 kg vegetables/inhabitant/year, representing the minimum consumption of vegetables, the forecast need is covered, resulting in a surplus of 9041 tons, which can be sold on the Bacău District market;
- **in V_2** , the necessary consumption is covered and a surplus of 10817 tons resulted;
- **in V_3** , the highest surplus is registered, namely 11320 tons.

If we analyse V_2 - the second variant of ensuring the quantity of 180 kg vegetables/inhabitant/year, representing the maximum consumption of vegetables, we may find out that any of the three formulated variants does not cover the total

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quantity of vegetables for the permanent inhabitants of the studied microzone, resulting in a deficit between 5651 tons in V_3 and 7929 tons in V_1 .

Table 3 - Forecasts on the horizon of the year 2012 concerning the evolution strategy of the vegetable total offer, on species, in the “Lunca Siretului – Bacău District” microzone

Specification	Total vegetable production						
	Average 2002-2006 (V_0)	V_1		V_2		V_3	
	tons	tons	%/ V_0	tons	%/ V_0	tons	%/ V_0
Total vegetables, of which:	44478	47613	107.1	49388.3	111.1	49890.5	112.2
Dry onion	8271.8	8767.4	106.0	8767.4	106.0	9675.4	117.0
Dry garlic	1759.0	1814.2	103.1	1814.2	103.1	2267.8	128.9
Carrots	4430.3	4910.4	110.8	5703.6	128.7	5288.1	119.4
Eggplants	1344.2	1636.1	121.7	1636.1	121.7	1422.7	105.8
Tomatoes-total	9561.3	11395.2	119.2	11395.2	119.2	11015.4	115.2
Peppers-total	5100.6	5364.9	105.2	6469.4	126.8	5522.7	108.3
Cucumbers-in the open field	2337.7	2574.4	110.1	2574.4	110.1	2574.4	110.1
Cabbage-total	9960.0	9870.0	99.1	10105.0	101.5	11327.0	113.7
Other vegetables	1713.1	1280.4	74.7	923.0	53.9	797.0	46.5

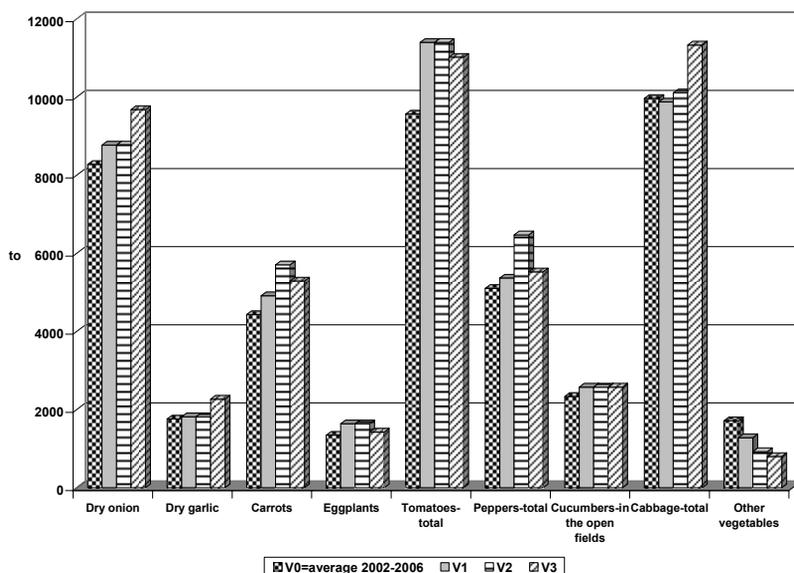


Fig. 2 – Forecasts on the horizon of the year 2012 concerning the evolution strategy of the total vegetable offer, on species, in the studied microzone

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Similar situations were also found in case of analysing the prospects on the necessary consumption of main vegetable species, such as:

- **in V_1** , which stipulates the minimum consumption of vegetables, we found that the necessary supply from the own production of the “Lunca Siretului – Bacău District” microzone was covered for all the vegetable species, resulting in a surplus to be sold on the regional market, excepting the eggplants (V_3) and other vegetables (all the three formulated variants V_1 , V_2 and V_3);
- **in V_2** , which stipulates the maximum consumption of vegetables, the maximum consumption of 180 kg vegetables/inhabitant/year cannot be ensured in all the three variants;
- **in V_3** , the deficit of 5651 tons is due to 1663 tons in eggplants, 4413 tons in tomatoes, 2055 tons in cucumbers and 7507 tons in other vegetables, while a surplus of 2437 tons is found in peppers-total, 5772 tons in dry onion and dry garlic and 2070 tons in cabbages-total;

Similar situations can be also found in V_1 and V_2 , but the supplying deficit is higher.

In the perspective of the year 2012, correlated to the inflation rate and to the influence of other external factors, the mean annual sale prices in main vegetable species, cultivated in the “Lunca Siretului – Bacău District” microzone will have an ascending trend (*Table 4, Figure 3*).

Table 4 - The mean sale price for the main vegetable species, cultivated in the studied microzone in 2006 and the forecasts for 2012

Crop	Unit of measure	2006	Forecasts for 2012	%/2006
Pod beans	lei/Kg	2.830	3.250	114.8
Dry onion	lei/Kg	1.565	1.870	119.5
Dry garlic	lei/Kg	4.410	5.550	125.9
Carrots	lei/Kg	1.350	1.500	111.1
Eggplants	lei/Kg	1.920	2.235	116.4
Tomatoes – total in the open field	lei/Kg	1.620	1.800	111.1
Peppers-total	lei/Kg	2.010	2.430	120.9
Cucumbers in the open field	lei/Kg	1.410	1.620	114.9
Cabbage - total	lei/Kg	0.750	1.250	166.7

Analysing the forecast data, we may see that prices for pod beans, carrots, tomatoes-total and cucumbers will register an increase between 11.1 and 14.9%, while for the other crops, the increase will be between 16.4 and 20.9 %, excepting the price of the cabbage, which might increase until 66.7%.

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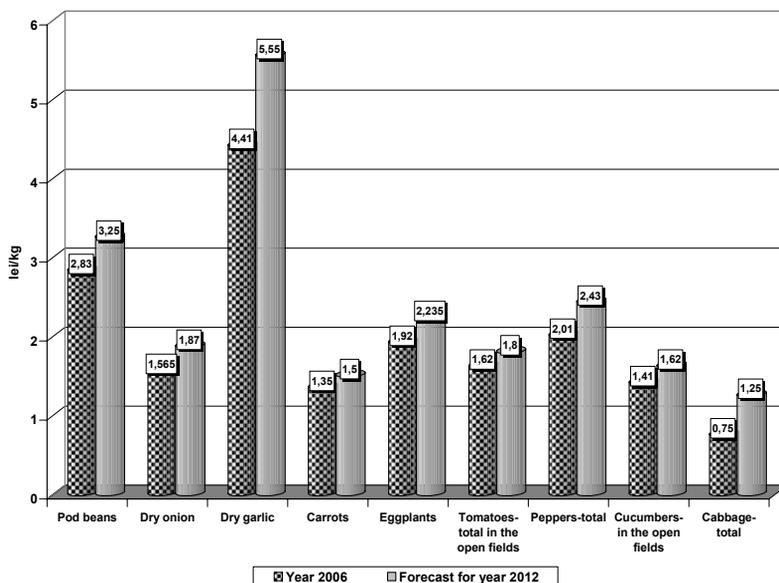


Fig. 3 – The mean sale price for the main vegetable species, cultivated in the studied area, in 2006 and the forecasts for 2012

On the horizon of the year 2012, the vegetable production and sales will be profitable, with obvious differentiations on species (*Figure 4*).

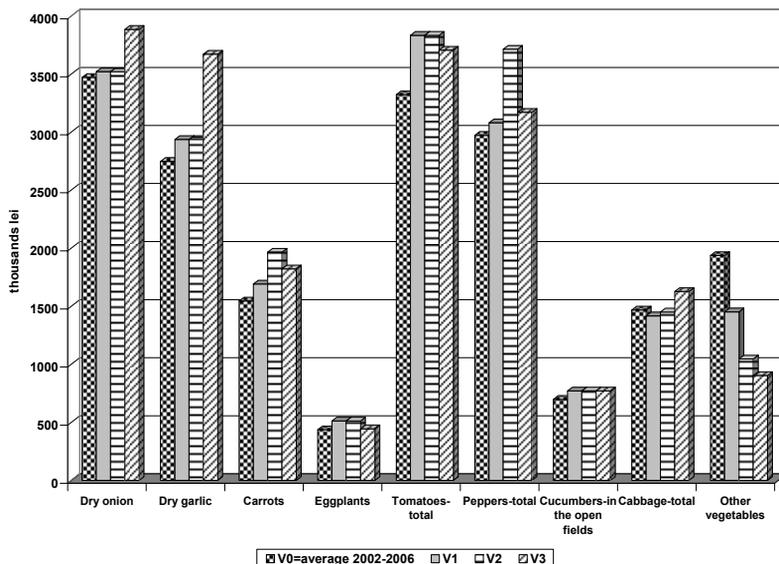


Fig. 4 – Forecasts for the year 2012 on the evolution strategy of the profitableness of vegetables, on species, in the studied microzone

Analysing the results of this study, we observe that the highest forecast benefit can be obtained in V_3 . The main contribution to the profit is due to dry onion (19.4 %), tomatoes – total (18.5 %), dry garlic (18.4 %), pepper – total (15.6 %), etc. Compared to the mean of 6000 lei/ha during 2002-2006, the brute profit per hectare in the “Lunca Siretului – Bacău District” microzone could increase by 0.3 – 7.0 %, in the future, the highest increase being found in V_3 .

The successful strategies in the distribution of vegetables are those that determine opportunities and competitive advantage, based on the marketing control, which emphasize the risks, favourable conditions, strengthens and weakness of the mediators (Manole, Stoian, 2006).

Within the circuit of vegetable distribution and sales from the “Lunca Siretului – Bacău District” microzone, we recommend the use of the diagram, which is structured in many stages (Figure 5).

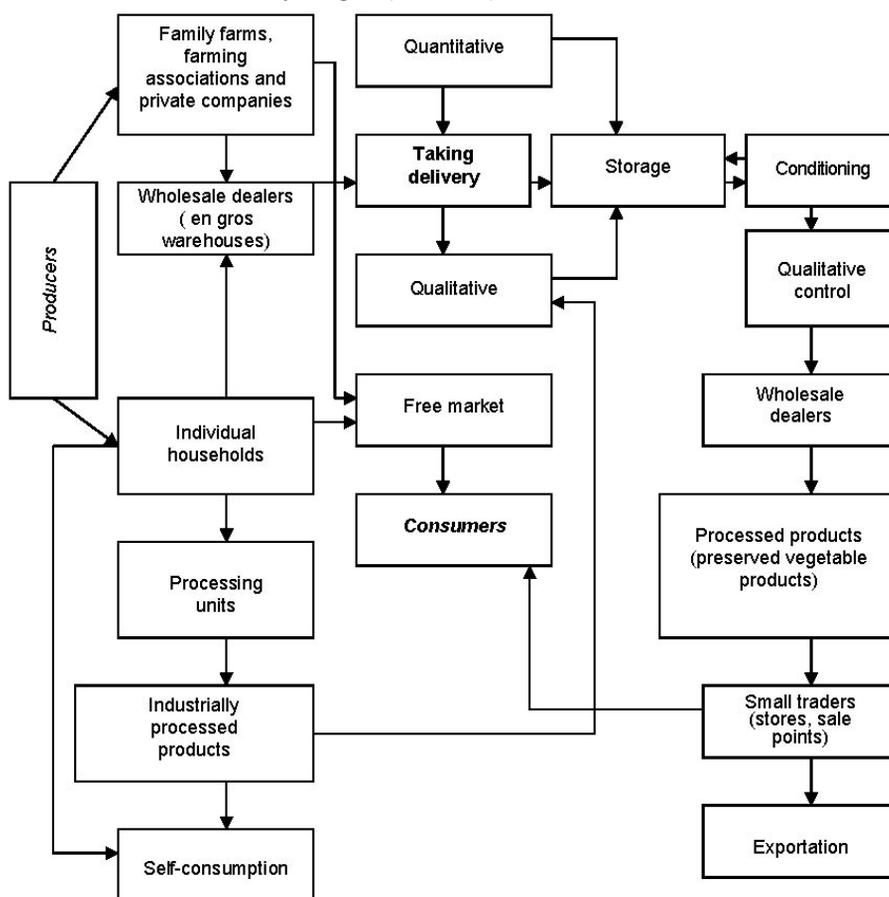


Fig. 5 – General distribution diagram of vegetables in the “Lunca Siretului – Bacău District” microzone

CONCLUSIONS

For ensuring the annual necessary of vegetables for the local population, it must be taken into account that a rational food should contain a quantity of 125 – 180 kg of vegetables consumed during a year, with differentiations on species.

In the activity of a farming and agro-alimentary company oriented to the market economy, the adoption of the marketing strategy represents an important objective. The marketing strategy of a company determines the aims and objectives on medium and long term.

For elaborating the marketing strategies, it must be taken into account the influence of internal and external factors, to which the concurrent position and the consumers' behaviour play an important role.

The market strategy of an agricultural or/and agro-alimentary company occupies the first place within the marketing strategy. The companies must avoid adopting the survival strategy. They must adopt the competition strategy.

Under conditions of the “Lunca Siretului – Bacău District” microzone, the strategy of the product has in view satisfying the vegetable consumption need for the local population, on short term at a minimum level and on medium term, at the horizon of the year 2012.

By the analysis of the three variants, the authors found out that in case of ensuring a quantity of 125 kg/inhabitant/year, representing the minimum consumption of vegetables, a surplus is registered in all the three variants, which will be sold on the regional market. In case of ensuring a quantity of 180 kg/inhabitant/year, representing the optimum consumption of vegetables, a deficit between 5651 tons and 7929 tons will be registered in 2012.

In the perspective of the year 2012, correlated to the inflation rate and other external factors, the mean annual sale prices of the main vegetable species, cultivated in the “Lunca Siretului – Bacău District” microzone, will have an ascending trend, the increase being between 11.1 and 66.7%. In the future, in the studied microzone, the profitability of growing vegetables could increase by 0.3 – 7%, compared to the average on 2002-2006 (V_0 , control variant), the maximum increase being achieved by V_3 .

Using marketing activities within the distribution and sale process will produce a positive effect of benefit increase.

It is recommended to initiate measures for ensuring the short-term minimum annual necessary consumption of vegetables and the long-term optimum annual necessary consumption, on the horizon of the year 2012.

We recommend the producers to evaluate regularly the performances of the mediators, according to certain criteria: obtaining the planned sale quota, the mean level of goods in stock, supplying time to consumer, cooperation in the programmes of product promotion and staff training.

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This study carried out in the “Lunca Siretului – Bacău District” microzone points out the necessity of implementing the marketing strategies in all the vegetable species, resulting in a high economic efficiency, compared to the classic system, without the application of a high management and marketing.

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