

MARKETING OF BIO PRODUCTS

Stetca Gheorghe, Adriana Morea*

*Univeristy of Agricultural Sciences and Veterinary Medicine, Faculty of Agriculture, Mănăştur St.3-5, 400372, Cluj-Napoca, Romania; *corresponding author: adriana.morea@usamvcluj.ro*

Abstract. The role of the organic farming system is to produce clean food, beneficial to the metabolism of the human body, in full correlation with the preservation and development of the environment, in respect of its nature and laws. Organic production is a global farming and food production system that combines best environmental practices, a high level of biodiversity, the conservation of natural resources, the application of high animal welfare standards and production methods that respect the preferences of certain consumers. Knowing, implementing and enforcing European and national regulations in the field of quality and food safety management today are major imperatives in human society.

Keywords: organic farming, marketing, organic food, consumer

Marketing originated in the early twentieth century, in the developed capitalist countries, initially as a method of studying and prospecting the market. The term is of Anglo-Saxon origin, the verb "to market" means "to conduct market transactions, buy and sell". The first marketing practices have emerged in the US. Philip Kotler, known in the literature as "the parent of marketing", considers marketing a means of selling and promoting products where the customer, the consumer and the products and services to be put on the market are not the starting point. Over time, the market-based and consumer-based economic mentality, called marketing orientation, has emerged. We distinguish the following periods of marketing:

- period 1 - characterized by the orientation of the companies towards production (1900 - 1930)
- period 2 - characterized by the orientation of the companies for sale (1930-1960)
- period 3 - characterized by the orientation of the companies towards marketing (1960 - present)

Relationships between production and consumption imply an objective necessity, knowledge and thorough study of the role, functions and fields of application of marketing.

Marketing has a special role in promoting the new, technical process. Any decision to develop or launch a new product must be based on a large amount of technical, scientific, economic, legal information, etc.

Agricultural and agri-food marketing includes downstream activities as follows:

1. the purchase of agricultural products through specialized units in order to supply the agrarian market according to the requirements and exigencies of the consumers;
2. storage or storage of agricultural products including conditioning, sorting, packaging, delivery, etc.;
3. processing of raw materials and obtaining the necessary agri-food products on the internal and external market;
4. the organization of own networks of own shops, in order to capitalize on a part of the agricultural products.

Marketing solves a number of proposed alternatives and targets and gives companies the ability to leverage and dispose of the most appropriate solutions in the region.

In the situation of switching from the "producer's market" to the "consumer market", companies no longer address a well-known market, but a market with an anticipated evolution. The role of marketing in the activity of agricultural companies has as a starting point the creation of a department, service or marketing office that will act for the achievement of the specific objectives and functions.

The functions of agricultural marketing are:

1. organizing the marketing activities management;
2. estimating the potential of the firm;
3. Evaluating and adapting the marketing effort;
4. marketing planning and marketing effort.

Marketing application strategies are:

- marketing channels;
- promotion of products and services;
- consumption prospecting;
- prices and payment terms;
- consumer demand assessment (size, structure, evolution);
- product research and internal production capabilities;
- researching consumer requirements and preferences;
- producing the products required on the market;
- testing new products among consumers;
- setting the prices of new products;
- preparing the market for accepting new products;
- the distribution of the products from the producer to the consumer so that the consumer can find the right goods in the right place and at the right time in the quantity and price corresponding to his purchasing power;
- organizing and boosting sales by delivering services to consumers in order to fully meet needs;
- tracking consumer behaviour.

Marketing highlights "what is sold, how, where and how" by identifying consumer requirements, increasing demand and satisfying it by coordinating all functions directly or indirectly to consumers. In developing the strategy for the development of an agricultural firm, the market strategy has an important role to play. The way in which the farm conceives the development of its activities, its perspective directions and concrete practical actions, characterizes the marketing policy of the farm, which assumes the activity of all its compartments and materializes in most of its decisions. Numerous types of marketing strategies have been developed and developed so far. Marketing strategies are based on three guidelines, namely:

- social orientation;
- orientation towards competition;
- market orientation.

Types of strategies can complement each other and can be tightened in a strategy block, from which a central strategy is detached. Types of marketing strategies are grouped as follows:

- price-quality strategies;
- market segmentation strategies;
- cooperation strategies;
- diversification strategies.

Choosing the strategy can be done by examining its applicability and selecting selection procedures:

- Resource test - compares own resources with the resources needed to implement a strategy;
- Consistency test - measures the compatibility of the strategy with the objectives of the farm;
- Cost-Restriction Analysis - measures the costs necessary to overcome restrictions of any kind in the implementation of a strategy.

In Romania, the most common strategies are resource-based, priced, differentiated according to their profile and buyer characteristics. Also, pricing can not be achieved freely, as agricultural companies have to take into account a series of administrative, political, legal, natural restrictions, etc. Product proposal is made in several stages:

Stage 1 - setting the company's goals (survival, maximizing annual profit, maximizing sales, maximizing current income, capitalizing on market advantage, or building a high-quality product) etc;

Stage 2 - analysis of demand structure;

Stage 3 - determining cost-production ratio;

Stage 4 - studying competition prices;

Stage 5 - choosing the method of price determination;

Stage 6 - setting the final price level.

Depending on the existing bid / offer ratio or the market situation, the units are trying to get maximum benefits by setting, practicing, or aligning to a particular price type. In the case of organic agricultural products, the most common price strategies are:

- the high price strategy, accepted on the market, which allows to obtain a sufficient profit and on this basis to secure the financing of the investments necessary for the penetration and further conquest of other markets or market segments;
- the strategy of entering the market, where the first strategy can not be practiced. This strategy is used when price demand elasticity is high.

For already-known organic agricultural products, the fixing of the sales price is based on the prices charged by the competition. Market experience shows that if there is competition, agricultural products need to be replaced by other high-quality products. The volume of the market, including agricultural products, depends on market needs. The difficulties in selling agricultural and especially organic products are related to the production characteristics, to the products themselves, to the demand, and to the nature of the rural world where products are produced, thus: agricultural production is essentially of an irregular, in time spans and very dispersed. Products are perishable and largely seasonal. Population consumption demand is unequal, product collection is cumbersome and costly, and the conservation of perishable products requires large investments in both transport, storage and technical facilities.

In Romania, the involvement of marketing in the formation and organization of organic agricultural markets has the following shortcomings:

- lack of information at the level of the manufacturer;
- Infrastructure deficiency;
- poor negotiating position of the agricultural producer.

At the same time, with the globalization of agro-food markets, product standardization has become a component, inseparable part of the complex action of efficient

profitability. By standardization, we mean "a portion that ensures production in a certain form and content". Standardization favours accelerating the sale and purchase mechanism on the domestic and foreign markets and is the first step in the operation of commodity exchanges. Commodity exchanges represent the market that is closest to the market model with perfect competition.

REQUEST AND OFFER OF BIO PRODUCTS

In marketing, research into consumer needs and forms of manifestation on the market is the first place. Marketing studies consumer needs whose satisfaction can be achieved through an economic activity. Consumption needs for organic farming evolve with economic and social development. Meeting consumer needs requires two conditions to be concomitantly achieved:

- object of consumer demand (presupposes the existence of an offer of organic agricultural products);
- the solvency of the demand for consumption (presupposes the existence of an appropriate purchasing power).

Consumer demand appears as an expression of consumption and has the following characteristics:

- the largest part of organic agricultural products is destined for the food market and the other part is used as raw material for some industrial branches, forming the commodity market;
- the object of consumer demand is the formation of organic agricultural products that are reduced in number, are dispersed in the territory, are seasonal and perishable;
- presents certain limits generated by the physiological limits of population consumption;
- consumption demand for organic agricultural products is permanent and repeatable and, as a rule, increasing.

Factors influencing consumer demand are:

- economic factors: supply structure, consumer incomes, price and product quality;
- demographic factors: the number and age of the population, sex, degree of training, etc.;
- psychological and sociological factors.

Of the psychological and sociological factors we recall:

- people live in society;
- the psychological nature of individuals;
- the particular character of each individual;
- degree of training;
- press, radio, TV.

The demand for organic agricultural products implies the existence of the offer. The offer of organic products is on the market under its two components:

1. active offer - represents all organic farming products in a given period of time;
2. passive offer - represents the stocks of organic products existing in the commercial network.

Features offer organic products are:

1. also include perishable products;
2. also include seasonal products;
3. is an unstable offer;
4. it is an uncertain offer because it depends on the natural factors;
5. is an offer that differentiates itself in a territorial profile, in some areas to a series of products being overpopulated, while in other areas, the same products are below consumer demand.

Depending on the demand for organic farming on the market, we will distinguish two offers: the real offer that includes all the organic agricultural products delivered by the producers and distributors of the agricultural market and the potential offer, which refers to the possibility of growing and diversifying the products in function consumer requirements.

There is a close link between the two categories of offers, as the supply dynamics express the shift from the real offer to the potential offer. The supply of organic agricultural products is made up of many products, each product occupying a certain place on the agricultural market. The structure of organic farming offers a multitude of products: products of vegetable origin, animal products, fresh products, industrialized products, etc. The share of these categories in the supply structure is in constant evolution due to the process of integration of agriculture with the food industry. From one period to the next, the offer increases in volume and quality, diversification and assortment renewal. Diversification is related to the requirements of consumers, their tastes and the emergence of new products.

Marketing recognizes that supply and demand are found in causality, coordination and mutual adjustment. On the market, we find the tendency to balance supply with demand, but depending on the relationship between these two categories, we distinguish three situations: abundance, shortage and balance. The first situation concerns the concept of surplus or abundance. Abundance surplus is achieved when the supply of a product is higher than the demand for the same product.

CONCLUSIONS

Knowing the principles of organic marketing is important for both the producer and the consumer. Producers' benefits consist of facilitating the sale of bio products in appropriate spaces and at fair prices. Organic products are beneficial to consumers' health compared with conventional and gives greater food security, provided they follow the rules of cultivation and processing requirements.

REFERENCES

1. Gh. Mihai, C. Man, H. Bunesu, C.V. Mihai, I. Albert, Gh. Ștețca, V.A. Bâlțeanu, Lenke Balint, 2005, Bioterra, the association of organic producers, promoter of ecological agriculture from Romania, Jurnal Enhancing animal health security and food safety in organic livestock production.
2. Ștețca Gh., G. Tuță, 2007, Managementul alimentară: teorie și practică, Ed. Risoprint, Cluj Napoca.
3. G. Ștețca, C.Man, D.Țibulcă, Mirela Jimboreanu, 2007, Storage and preservation conditions used for animal origin food products (pork meat), Journal of Agroalimentary Processes and Technologies, Volume XIII, No.2 (2007), 433-438.
4. Buliga Zaharie, Stoleru Vasile, 2009, Inițative de marketing pentru produsele agricole ecologice, USAMV Iasi.